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NORTHERN MEXICO'S BEEF CATTLE INDUSTRY, 1910-1920: A PERSPECTIVE

By

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B.A., University of Montana, 1971

Presented in partial fulfillment of the requirements

for the degree of

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UNIVERSITY OF MONTANA

1974

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PREFACE

Mexico rocked with violent upheavals of revolution at the dawn of the twentieth century. Movements of men and material across the width and breadth of Mexico continued little abated from 1910 to 1920. A poor country, long exploited by outside entrepeneurs, Mexico could ill afford to finance and maintain the large armies needed for the kind of sweeping social revolution she experienced. Among her natural resources and something of ready commercial value, was her beef cattle industry. Located in the northern provinces of Mexico, and with ready access to markets in the United States, the beef cattle industry of northern Mexico had prospered under the calm of the Pax Porfiriana.

Millions of head of beef cattle, often owned by absentee landlords living in high style in Mexico City or the United States, seemed to attract magnetically revolutionary forces. These forces quickly moved the cattle to American border spots and exchanged them for arms and ammunition. One revolutionary leader engaged in this exchange in such a grand style that he was obliged to own and

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operate an entire slaughterhouse.

Due to the vast number and complexities of events transpiring in Mexico during the early part of the twentieth century, this paper must of necessity delineate rather strict boundaries. Rather than deal extensively with events leading to the revolution, only a comparatively small section deals with the time period before 1910. Rather than deal with Mexico's entire cattle industry, I decided to limit myself to commercially valuable beef cattle and some of their more important by-products such as hides. Geographically, this paper is limited to those areas that have a large beef cattle industry, and a common border with the United States or extensive port or railhead facilities available for transporting large numbers of beef cattle to the United States. Included in this latter qualification are the port of Veracruz and the railhead point of Hermosillo.

The questions posed are: did the beef cattle industry of northern Mexico play a pivotal role in the Mexican Revolution? And did the revolution change the make-up and complexion of the beef cattle industry in northern Mexico?

This study, through the exhaustive use of primary source material, examines for the first time a relatively unexplored portion of Mexico's twentieth century revolution. Often viewed in the larger context of armies sweeping across Mexico, little has been said of the fate of families, who with their possessions of cattle and

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horses, suffered during the ten year rampage.

There are numerous books relating to the Mexican Revolution written both in English and Spanish. Those works dealing with the cattle industry in Mexico are fewer in number, and with one or two exceptions, are printed in Spanish. Books and articles dealing with the effects of the revolution on the cattle industry are non-existent. Research must then turn to those primary source documents available, such as official records of the governments of Mexico and the United States, and private correspondence of individuals caught up in the events.

Official records of the United States relating to Mexico are readily available. The records of the State Department are micro-filmed, indexed and generally accessible. The records of the Treasury Department, the War Department, the Commerce Department, and the Agriculture Department are housed in the National Archives in Washington, D.C., and the National Records Center in Suitland, Maryland. Records relating to the activities of certain individuals are located in the Latin American Collection, University of Texas at Austin, the Texas State Historical Archives, located on the capitol grounds at Austin, and the Southwestern Collection, located in the Lyndon Baines Johnson Memorial Library complex at Austin.

Access to materials in Mexico has proven a bit more difficult. Records of the Departmento de Relaciones Exteriores and the Secretaría de Agricultura revealed valuable information concerning

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governmental action. However, time and other obstacles have prevented a more complete utilization of these materials.

Examination of Mexico's primary source material revealed, not unexpectedly, serious gaps in the information, caused by the revolutions' disruptive effects on the government. Official communications of the United States proved the most reliable with reports frequently cross-substantiated.

Individuals who greatly aided in the completion of this manuscript include: Dr. Wayne D. Rasmussen and Dr. Vivian Wiser of the Agriculture History Group of the U.S. Department of Agriculture, whose help was invaluable during the hectic days and nights in Washington, D.C., Dr. L. Tuffly Ellis, Dr. Chester V. Kielman and Dr. Nettie Lee Benson, all of Austin, Texas, greatly aided this researcher during his stay in that great state. And finally a very, very special word to thanks to the man who, more than any other, provided me with the assistance, advice, and courage to undertake the project at all, my mentor, Dr. Manuel (Manny) A. Machado Jr.

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CHAPTER I

THE BEGINNING: FRANCISCO I. MADERO

The area of northern Mexico abutting the 1,933-mile boundary with the United States and reaching across Mexico in the South from the port city of Tampico in the East to Mazatlán on the Pacific coast and including north and south Baja California, encompasses 1,049,107 square kilometers, over half of Mexico's total land mass. Included in this geographical region are the states of Tamaulipas, Nueve León, Coahuila, Durango, Chihuahua, Sinaloa, Sonora, Baja California and the territory of Baja California Sur. While comprising over half the area of Mexico, the total population density, even as recently as 1960, was extremely low.

With the exception of the Yucatán peninsula, northern Mexico was the last major area of Mexico to be settled. From the time of the conquistadores in the sixteenth century, the thrust of settlement had been inland from Veracruz to Mexico City and from there north. Immigrants on their way north seldom stopped in northern Mexico, preferring instead the colonies of California and New Mexico. One

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reason for settler avoidance of northern Mexico was the relative aridity of the land. North-south mountain ranges, the Sierra Madre Oriental and the Sierra Madre Occidental, flank the huge plateau of northern Mexico, catching life-giving water on their seaward slopes and returning it to the ocean. Land is second to water in value in this arid region.

When events of the middle nineteenth century closed California and New Mexico to the Mexican settler, northern Mexico started on its way to becoming the main beef raising area of Mexico. Porfirio Díaz, president of Mexico, beginning with his Plan de Tuxtepéc of 1876, and ending with his overthrow in 1911, provided much of the enabling legislation needed to allow the formation of large estates necessary for large scale cattle raising. Early settlers required as much as thirty-five or forty acres per head of livestock, and they built haciendas at the nearest dependable source of water.

Between 1880 and 1910, a tremendous expansion in the production of livestock hit Mexico's northern area as American markets and financial centers discovered Mexico's optimum cattle raising conditions. From 1897 to 1907, livestock production in Mexico totalled over ten million head of cattle.[1] In 1910, northern Mexico held 30 percent

[1]Alfonso Reina Celaya, La industria de la carne en México (México: Imprenta A. Canalizo, 1958), p. 79.

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of all Mexico's cattle and an even higher percentage of her marketable beef cattle.[2] In Chihuahua, as a result of advantages growing out of legislation in 1875, twelve major latifundios, each with well over a quarter of a million acres, were created. Foremost among these was the Terrazas estate.[3]

Don Luis Terrazas, the eventual paterfamilias, became governor of Chihuahua in 1861. It was by his efforts that the wings of clerical power were clipped and immense wealth in land and property confiscated for the state. Despite an erratic rule because of French intervention, Terrazas remained an active figure in northern Mexico's political affairs until 1872, when he resigned the governorship. Nevertheless his popularity with the people remained.[4]

The Terrazas family became the largest landowners of Chihuahua and eventually of Mexico, by acquiring much of their lands from exiled Mexicans who aided the French during the intervention. These

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[2]Diego G. López, Historia y pensamiento económico de México; Agricultura y ganadera (Mexico:Universidad Autonoma Nacional Mexicana, 1968),pp. 16-17.

[3]Narte R. Gomez, La reforma agraria en las filas villistas: años, 1913 a 1915 y 1920 (Mexico: Biblioteca del Instituto Nacional de Estudios Historicos de la Revolucion Mexicana, 1966),pp. 25-26.

[4] Hubert H. Bancroft, North Mexican States and Texas; 1801-1889 (San Francisco: The History Company, 1886-1889),I, part II, 619.

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acquisitions, amounting to approximately one-third of the state of Chihuahua, developed during the presidency of Porfirio Díaz despite a long standing personal feud between the two men.[5]

The same Luis Terrazas, in 1907, owned 6,700,000 acres, making him the greatest landowner and cattleman in North America and second in the New World only to a British owned Brazilian ranch.[6] In 1910, Francisco Almada claimed that Terrazas branded 140,000 calves making him the largest individual cattle raiser in the world. At the height of his power, Don Luis Terrazas controlled the lives of over 100,000 people.[7]

Despite the extensive Terrazas holdings, much of northern Mexico belonged to foreigners. President Díaz, anxious to build Mexico's economic wealth, encouraged the foreign settlement of northern Mexico. While few came as agricultural settlers, a major exception were Utah Mormons fleeing marriage laws in the United States.

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[5]José Fuentes Mares, Y México se refugió en el desierto:Luis Terrazas, historia y destino (México:Editorial Jus, 1954),pp. 224-225.

[6]Donald C. Brand, "The Early History of the Range Cattle Industry in Northern Mexico," Agricultural History, XXXV, (July, 1961),132-139.

[7]Gomez, La reforma agraria,p. 17.

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The Mormons settled in colonies in northern Mexico and through communal effort began to amass considerable agricultural wealth.

Most foreigners, however, came to northern Mexico not to build but to extract resources. In the northeast, oil attracted the foreigner. Men such as Lord Cowdray of Great Britain and Edward Doheny of the United States removed considerable quantities of Mexico's natural resources with little monetary or other return for Mexico. Foriegn interest in northern Mexico extended to many of the factories, railroads, and mines of the region. In north-central and northwest Mexico, the emphasis lay in raising beef cattle on multi-thousand acre ranches. Men such as west coast newspaperman William Randolph Hearst controlled holdings in excess of 800,000 acres.[8]

Discontent over the liberal foreign ownership laws of Díaz's regime led to considerable unrest in Mexico. One opponent of Díaz's policy was Francisco I. Madero. The son of a wealthy hacendado in Coahuila, Madero was a mystic, a vegetarian, and extremely wealthy. The ageing Díaz publicly stated in an interview to American journalist James Creelman, that he would not seek nomination in the next election. The interview with Díaz started speculation of the probable successor

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[8]Francisco Almada, La revolucion en el estado de Chihuahua (México: Biblioteca del Institute Nacional de Estudios Historicos de la Revolucion Mexicana, 1964), II, 59.

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to the presidency of Mexico. Madero published a book entitled La sucesion presidencial en 1910, in 1908. The effect the book had in Mexico propelled Madero from obscurity to national prominence and made him a possible presidential contender in the next election. When Díaz ordered his arrest, Madero was forced to flee Mexico into Texas. From there Madero began the armed confrontation that eventually swept Díaz from power.

Though Francisco Madero commanded few troops, many bands of men, forced into banditry by the oppressive administration of President Díaz, pledged their loyalty to him. Mexico, plagued by inequities of foreign investment over citizen rights, was soon seething with bloody uprisings. It was through Madero that thousands of men and women, seeking a more responsive government, acted.

Porfirio Díaz resigned the presidency on May 25, 1911, and went into exile in Spain. Madero then assumed control of the government, though the revolution did not end. Even with Madero in the presidential palace many of Mexico's wrongs were not corrected. Emiliano Zapata, leader of revolutionary forces in the state of Morelos just south of Mexico City, was unconvinced when Madero told him to lay down his arms. Madero, with his aristocratic background, little understood the complexities of events he had set into motion. Revolutionary groups on the move to what they envisioned as a better life were not inclined to forego an almost complete transformation of Mexico. Continued fighting, however, hinged on the ability of rebel

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leaders to secure adequate reserves of such necessary items as arms, ammunition, horses, and food. To maintain a constant flow of these items, isolated ranches became a favorite target for all sides.

In the state of Durango, revolutionaries were reported in control of Bermejillo, Nuevo Leon, Sacramento, Nozas, Tlahualilo, hacienda de Cruces, and Viezca as well as other ranches. An attack seemed imminent on the village of San Pedro. The American consul in Durango, T. E. Hamm , felt that there existed a good possibility parts of northern Mexico would fall to the revolutionaries. [9] Many in the major Coahuila railhead town of Torreón felt that with 1,000 federal troops guarding the city, poorly armed and equipped revolutionary forces would not try to take it. Ranches surrounding Torreón, however, reported a farr different situation as rebels daily committed crimes in isolated areas.[10]

As the situation in Mexico deteriorated, United States citizens were forced to make the painful decision of fleeing, leaving their possessions behind, or staying on and facing the uncertainties of a nation at war with itself. George C. Carothers, United States special agent in Mexico, told the Durango consul that of five hundred Americans caught in Tlahualilo only two hundred elected to leave

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[9] George C. Carothers to T.E. Hamm, consul, Durango, February 16, 1912, Record Group 59, Record of the United States Department of State relating to the Internal Affairs of Mexico, 812.00/3371. Hereafter Record Group 59 will be cited as R.G. 59, author, recipient, date and file number.

[10] Ibid.

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Mexico, the rest deciding to remain and see the situation out.[11] Just before the last rail link to Durango was severed by Pascual Orozco on March 19, 1912, an additional two hundred twenty-five federal troops were rushed in to bolster faltering defenses. Pascual Orozco, former Madero general who had become disenchanted with his commander, was at the head of much of the destruction. Conditions in the state of Durango rapidly became untenable for the federalists as closure of the railroads forced city industry to idleness. Men, women, and children dependent on the factory for their livelihood now faced possible starvation. Businessmen in the city of Durango were reported raising 100,000 to 250,000 pesos in exchange for bonds designated by the state government for suppressing brigandage in outlying areas.[12] Conditions in the state forced the resignation of governor Luis Alonso y Patiño who had incurred the ill will of factions within his own liberal party.[13]

Many ranches in northern Mexico found themselves unwilling

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[11] Ibid.

[12] Ibid.

[13] Ibid.

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commissaries for revolutionary and rebel forces.[14] Livestock was particularly susceptible to federal and rebel pilfering.[15] Consular officials in Durango maintained that brigandange was an everyday occurrence. The agents argued that foreign property, in particular, was fair game. Ranches were being raided primarily to obtain cattle, and horses.[16] Men operating near Las Vacas, Coahuila, in the Burro mountains, successfully kept federal troops at bay. Near the Rancho San Gregorio they attacked federal forces defeating the troops and taking their arms and equipment. The rebels next sacked San Gregorio taking cattle, horses, saddles, rifles, and ammunition. They also gained twenty recruits as a result of the successful attack.[17]

Raiding in northern Mexico intensified as control of the area fluctuated between orozquistas and federales. By mid-August 1912, reports from Durango indicated that ranches and unprotected mining

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[14]R.G. 59, A. L. Loftus to the Tampico consul, May 2, 1912, 812.00/3915.

[15]R.G. 59, Tampico consul to the Secretary of State, May 9, 1912, 812.—/3915.

[16]R.G. 59, Durango consul to the Secretary of State, April 13, 1912, 812.00/3676.

[17]R.G. 59, Ciudad Porfirio Díaz consul to the Secretary of State, April 13, 1912, 812.00/ 3527

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properties were subjected to lawlessnes daily.[18] General José Inez Salazar, serving Pascual Orozco and in command of eight hundred men, attacked and destroyed much of the property of the Compañía de Terrenos y Ganadera.[19] Another rebel general, Rafael Campa declared that the state of Sonora would be devastated if Madero did not resign.[20]

Ranches close to the United States border did not escape depredations. Two targets were the Verde and the San Pedro ranches owned by the Cananea Cattle Company. The San Pedro, located sixteen miles south of Hereford, Arizona, sustained a loss of $5,000 on September 2.[21] Ranches on the Texas side of the international boundary also reported an increase in banditry.[22] Texas Rangers, unable to cope with the situation along the border, suggested bringing

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[18]R.G. 59, Durango consul to the Secretary of State, August 14, 1912.

[19]Estado Mayor to Relaciones Exteriores, 825 R, Legajo I, August 31, 1912, Archivo Historico de la Secretaria de Relaciones Exteriores. Hereafter cited by Legajo numbers and AHRE.

[20]R.G. 59, Ciudad Porfirio Díaz consul to the Secretary of State, August 31, 1912, 812.00/4797.

[21]R.G. 59, Nogales consul to the Secretary of State, September 2, 1912, 812.00/4765.

[22]Arizona Gazette (Phoenix), January 11, 1912.

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federal troops in to provide an adequate patrol along the exposed border.[23]

On August 23, 1912, José I. Salazar raided the Palomas Land and Cattle Company in Chihuahua with a force of five hundred men and seized hundreds of head of cattle.[24] Rebel forces near the town of Cananea, close to the American border raided various ranches in that vicinity.[25] An American rancher in Sonora reported rebels were taking ten to fifteen head of his cattle daily, eating part, and selling the rest to campesinos at five pesos a piece. In addition, they had taken horses and provisions from him.[26] John Blocker of Coahuila abandoned his Piedras Blancas Cattle Company, leaving 1,500 cattle and 1,000 saddle horses.[27] The collector of customs at Eagle Pass, Texas, noted that eight hundred revolutionaries then took over the ranch. They confiscated the saddle horses and killed

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[23]Adjutant General to Governor of Texas, December 1, 1911, Eugene C. Barker Library, University of Texas, Austin, W.P. Webb papers, folder number 290.

[24]Secretaria de Gobernacion to Secretaria de Relaciones Exteriores, September 5, 1912, 825 R, AHRE.

[25]Douglas, Arizona consul to Secretaria de Relaciones Exteriores, September 12, 1912, 825 R, AHRE.

[26]R.G. 59, Nogales consul to the Secretary of State, September 17, 1912, 812.00/4977/

[27]R.G. 59, Ciudad Porfirio Díaz consul to the Secretary of State, September 26, 1912, 812.00/5128.

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the cattle for meat.[28] Four days later the American owned ranch of Maguey, twenty-five miles from the city of Durango, was sacked by two hundred and fifty bandits, with several hundred pesos worth of cattle and provisions stolen.[29]

In Chihuahua, General Luis Terrazas, alarmed by the rustling and brigandage on his hacienda, reluntantly armed his own peasants. Terrazas felt that it was a mistake to arm many of the peasants since they would then defect, armed and equipped, to rebel leaders. The effort proved futile. On October 10, 1912, Terrazas wrote his son-in-law, Enrique C. Creel concerning the conditions on his estate that "Frankly . . . the servants are very contaminated, and only a very reduced number remain loyal."[30]

On November 11, 1912, rebels under General Rogue Gomez attacked federal troops at the Palomas ranch near Nogales to obtain control of that ranch.[31] Revolutionaries in northern Mexico rapidly asserted

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[28]R.G. 59, Treasury Department to the Secretary of State, September 26, 1912, 812.00/5093.

[29]R.G. 59, Durango consul to the Secretary of State, October 1, 1912,812.00/5179.

[30]Joses Fuentes Mares,Y Mexico se refugio en el desierto,pp. pp. 224-225.

[31]R.G. 59, Secretary of War to the Secretary of State, November 18, 1912, 812.00/5519

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their control. Rebels under Cheche Campos ambushed local federales at the Cruces ranch forty miles west of Torreón. Durango consul T.E. Hamm declared that the incidental sacking of the ranch was typical of much that had gone on in Mexico.[32]

The Durango consul reported that for one week ending December 4, 1912, twenty haciendas were attacked and destroyed.[33] Rebels were reported established in the American owned ranch, San Juan de Michas. To the consul in Durango it seemed that the rebels were receiving the cooperation of peones and as a result were able to avoid any disastrous confrontation with the federales.[34]

The movement of cattle from tick infested areas to clean zones, while difficult to control under the best of conditions, soon became impossible. Because of the insurrection, indiscriminate movement of cattle into clean zones caused massive infestation throughout the state of Chihuahua.[35] On December 6, 1912, the Corralitos Cattle

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[32]R.G. 59, Durango consul to the Secretary of State, November 18, 1912, 812.00/5497.

[33]R.G. 59, Durango consul to the Secretary of State, December 3, 1912, 812.00/5647.

[34]R.G.59,Durango consul to the Secretary of State, December 23, 1912, 812.00/5785.

[35]R.G. 59, Secretary of Agriculture to the Secretary of State, May 11, 1912, 611/1257/17.

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Company in Chihuahua began to move 6,000 head of cattle into the United States until conditions settled in Mexico.[36] Thus, they introduced a sanitary problem to the exportation of stock. The United States Department of Agriculture soon implemented dipping procedures at entry points to prevent an influx of the fever tick. The Department wanted to allow as many cattle into the United States as possible in view of the unrest but insisted that such cattle should be free of ticks at all costs.[37]

Interest in controlling tick fever, long a problem in parts of Mexico, had prompted a movement earlier in the United States to construct a fence along the border to keep infested cattle from wandering north into clean pastures. On November 19, 1909, the Secretary of State recommended the fence construction and received the concurrence of the Secretary of Agriculture.[38] The United States and Mexico shared a border of just under 2,000 miles, extending from San Diego, California in the west to Brownsville, Texas, in the east. Much

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[36] R.G.,59, Secretary of the Treasury to the Secretary of State, December 6, 1912, 611.1225/9.

[37] Ibid.

[38] R.G. 59, Secretary of Agriculture to the Secretary of State, April 21, 1910, 611/1257/3.

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of this border transversed desert wasteland. From El Paso, Texas the border west was irregularly marked by stone pillars. In Texas, the Rio Grande served as the border. Here, often, only a dry river bed served to tell travelers they were passing from the jurisdiction of one nation to that of another.

The Secretary of State directed the United States ambassador to Mexico, Henry Lane Wilson, on the first of June, 1910, to bring the matter of constructing a fence to the attention of Mexico's Minister of Foreign Relations.[39] Sixteen days later the Mexican government agreed to take partial responsibility for its maintenance.[40] This fence, erratically built exactly on the international boundary line, served to keep cattle from wandering on both sides of the line but did not prevent the concerted efforts of revolutionary forces from illegally moving cattle across the line in massive numbers. Despite official efforts, cattle continued to move into the United States. Manuel Calero, Mexican ambassador to the United States on June 22,1912, requested that the United States stop the importation of cattle seized by revolutionaries. Calero said that orozquistas were financing their

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[39]R.G. 59, Secretary of State to Henry Lane Wilson, U. S. Ambassador to Mexico, June 1, 1910, 611.1257/4.

[40]R.G. 59, H. L. Wilson to the Secretary of State, June 17, 1912, 611. 1257/6.

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revolution in this way.[41] The Secretary of the Treasury replied to the Mexican ambassador that the president of the United States would close any port of entry dealing in stolen cattle.[42]

Cattle rustling, sacked ranches, stealing, and killing continued for the residents of northern Mexico. Those effects of the revolution not yet apparent would soon become evident when vast grazing herds of cattle were destroyed.

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[41] R.G. 59, M. Calero, Mexican Ambassador to the United States to the Secretary of State, June 22, 1912, 812.00/4291.

[42] R.G. 59, Secretary of the Treasury to the Secretary of State, July 1, 1912, 812.00/4348.

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CHAPTER II

THE FIGHTING: PANCHO VILLA

When President Madero and his vice-President Peno Suárez were ordered assassinated February 22, 1913, by former Díaz General Victoriano Huerta, a shock wave shook Mexico. Men quarreling among themselves now turned towards the new tyrant in Mexico City. Huerta, trying to consolidate his power, saw an easy victory turn sour as one by one the revolutionary leaders arose against him. Emiliano Zapata, while still fighting for peasant rights in Morelos, challenged Huerta as he had challenged presidents before him. In the United States the new president, Woodrow Wilson, also countered Huerta's ideas of an easy victory by refusing to extend de facto recognition to his regime.

In the northern area of Mexico, major revolutionary figures proclaimed themselves against the self-styled dictatorship of Victoriano Huerta. Venustiano Carranza announced in his Plan de Guadelupe, March 30, 1913, that he would lead a massive army in support of the Constitution . Other revolutionary leaders sided with Carranza. Alvaro Obregón, a successful chick pea farmer and local político in Sonora, proclaimed himself against huertismo as did former Chihuahua bandit Pancho Villa. Villa, at ease with bandits and living off the land, had

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loomed into preeminence in northern Mexico.

As revolutionary armies became larger, the need for a steady supply of material increased . Taking advantage of the favorable administration of Woodrow Wilson in the United States, constitutionalist forces, as the northern armies called themselves, wrecked havoc on northern Mexico's cattle industry.

During the troubled year of 1913, over 400,000 cattle entered the United States from Mexico.[43] Over 80,000 cattle passed through the strategic railhead point of Hermosillo, Sonora, on their way to the United States.[44] Cattle stealing on both sides of the Río Grande climbed precipitously in 1913, five hundred to eight hundred cattle were reported missing from Brewster County, Texas, with considerable suspicion directed towards Mexico.[45] Pancho Villa, firmly in control of much of northern Mexico, committed many acts of violence against cattle owners.

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[43]George J. Dietz and Floyd Edward Davis, Beef Cattle Industry in Northern Mexico and Probable Exports to the United States (Washington: United States Government Printing Office, 1954), p.4.

[44]R.G. 59, Hermissilo consul to the Secretary of State, March 23, 1914, 611.1224/51.

[45]Letter to Adjutant General's Office, W.P. Webb papers, folder 19.

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Villa seized and began dividing the lands of the Terrazas family and other latifundistas; those who resisted had their houses blown up and their cattle slaughtered.[46] Beaten, Don Luis Terrazas and his family began a long exodus to the United States.

As the villistas gained power they became increasingly bold and in November, 1913, considered themselves strong enough to take the city of Chihuahua. Huertistas controlling that city had refused to allow the fleeing Terrazas family to cross the border into El Paso. Thus, when the villistas seized the city, Terrazas was still in sitis there. Juan Creel, a representative of the Terrazas family was allowed access to El Paso, so that Juárez banks could grant Villa 100,000 pesos loan. As an officer in the Terrazas Banco Minero de Juarez, Creel made arrangements for the loan to Villa.[47]

Fear for the Terrazas family existed in Chihuahua. The dangerous situation continued into December as villista reprisals continued following their capture of Chihuahua. Mexico's foreign minister asked the United States chargé to seek guarantees from Villa.[48] Zachary L.

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[46]Almada, La revolucion, pp. 42-43.

[47]R.G. 59, Cd. Juarez consul to the Secretary of State, November 18, 1913, 812.00/9894.

[48]R.G. 59, Chargé d'affaires Nelson O'Shaughnessy to the Secretary of State, December 3, 1913, 812.00/10042.

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Cobb, the collector of customs of El Paso, reported to the State Department that with Villa in control of Chihuahua it would be difficult to determine what the fate of the family might be.[49] As the situation became intolerable for the Terrazas family with the fall of Chihuahua on December 14, 1913, to the revolutionaries, they fled to the United States, leaving behind Luis Terrazas Jr. to protect the family interests.

Reportedly Villa abducted Terrazas Jr. from the British consulate, and there existed a good possibility that he would be executed immediately. Cobb asked the State Department to help Terrazas and the women that remained in the city. Villa placed Terrazas under house arrest in Chihuahua city and demanded 150,000 pesos for him.[50] Only the fact that Villa needed money saved the younger Terrazas from execution.

The rest of the Terrazas family reached the United States safely and rented the residence of Albert B. Fall in El Paso.[51] The Terrazas connections then began to swing into play. Charles Goodnight, noted Texas rancher, wrote to Texas Congressman John Stephens that "Terrazas is not a politician but an unassuming gentleman." Several letters

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[49] R.G. 59, Z.L. Cobb to Boaz Long to the Latin American Division, the State Department, December 8, 1913, 812.00/10097.

[50] Ronald Atkin, Revolution:Mexico, 1910-1920 (New York: p. 184.

[51] Ibid., p. 164.

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were sent to various Texas congressmen and senators asking for help for Luis Terrazas.[52]

While Villa held Luis Jr., the family and their many friends applied considerable pressure for his release. Fall threatened constitutionalists in El Paso with the use of his influence against their cause if something was not done about the plight of Terrazas Jr.[53] Fall informed the agents that Mexican matters would receive close attention in the United States Senate unless Villa honored extant obligations.[54]

Terrazas Jr., under house arrest up to this time, was formally incarcerated for the crime of trying to get his cattle across the border and for, "trying to further American intervention."[55] Villa still apparently had no intention of killing Terrazas. With all of the Terrazas estate now going toward the financing of the revolution there remained no further need to threaten Luis Terrazas Jr., in fact, Villa gave to the family his "confidential guarantee that the life of this man would be spared."[56] Villa claimed that once peace was restored to Mexico he

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[52]R.G. 59, Letters from congressmen to the Secretary of State, January 18, 1914, 812.00/10194.

[53]R.G. 59, George C.Carothers to the Secretary of State, February 1914, 812.00/10829.

[54]Ibid.

[55]R.G. 59, Chihuahua consul to the Secretary of State, June 4, 1914, 812.00/12147.

[56]R.G. 59, George C. Carothers to the Secretary of State, June 26, 1914, 812.00/12357.

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would release Terrazas Jr. Until then his captive was the only hold that would keep the family from financing filibustering expeditions against him.[57]

Foreign interests in northern Mexico also reported difficulties in maintaing their properties unmolested. J. E. Hayes, manager of the Hearst owned hacienda San José de Babícora, reported that but for the protection of the federales, ranches such as Babícora could have suffered substantial losses.[58] Hayes, while grateful to the federales for protection foresaw the wise necessity of paying protection money to the rebels and thereby preventing destruction of the Hacienda.[59]

Along the border, Colonel Jesús Carranza, Don Venustiano Carranza's brother, on March 7, 1913, requested permission to drive four hundred head of cattle across the Río Grande at Eagle Pass, Texas. He claimed the cattle were his personal property though suspicions were aroused.[60] The Treasury Department decided, however, that the cattle were in fact

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[57]R.G. 59, George C. Carothers to the Secretary of State, November 11, 1914, 812.00/13745.

[58]R.G. 59, Babícon manager to Chihuahua consul, January 16, 1913, 812.00/5991.

[59]R.G. 59, Babicora manager to manager for Mrs. P.A. Hearst, January 26, 1913, 812.00/6046.

[60]R.G. 59, Porfirio Díaz consul to the Secretary of State, March 7, 1913, 611. 1224/1.

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Carranza's.[61] Not until the crossing was completed was it discovered at the Mexican customs house that the cattle had belonged to someone else.[62]

The Treasury Department, confused about the history of cattle shipped into the United States, queriedthe State Department as to the advisability of allowing in suspect cattle. The Treasury Department felt that if they could allow the cattle into the United States, the rightful owners could then try to regain possession. The State Department, however, refused to take any stand on the issue, and it was quietly dropped.[63]

By the middle of April, 1913, the Treasury Department and the Justice Department were aware of the definite possibility that cattle coming from areas of northern Mexico were stolen.[64] The exportation of stolen cattle became so flagrant in Laredo, Texas, it was halted

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[61]R.G. 59, Treasury Department to the Secretary of State, March 15, 1913, 611. 1224/3.

[62]R.G. 59, Porfirio Díaz consul to the Secretary of State, March 24, 1913, 812.00/6635.

[63]R.G. 59, Treasury Department to the Secretary of State, March 21, 1913, 611. 1224/5.

[64]R.G. 59, Justice Department to the Secretary of State, April 21, 1913, 611. 1224/14;R.G. 59, Treasury Department to the Secretary of State, April 25, 1913, 611. 1224/15.

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on May 12, 1913 by the senior consul.[65] The revolutionaries then opened another port at Columbia, Texas.[66] After selling stolen cattle in the United States, revolutionary dealers then set up receiving points along the border. One group of carrancistas utilized a hacienda owned by the Compañía Agrícola de San Carlos to ship contraband into Mexico from the United States. The contraband consisting of arms and ammunition, was labelled " for hacienda use."[67]

The consul at Nuevo Laredo complained of small robber bands infesting the border area. He alleged that losses of livestock in the last two months ran into the thousands. Rebels, he argued butchered animals to feed markets on both sides of the Río Grande.[68]

Claims of illegally butchered meat sold in the United States brought quick response from ports of entry. According to complaints, rebels had captured the town of Matamoros on June 4, and sold the meat

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[65]Mexican consul to Secretaria de Hacienda, May 12, 1913, 805 R, AHRE.

[66]R.G. 59, Nuevo Laredo consul to the Secretary of State, May 27, 1913, 611.1224/ 17.

[67]Inspector General of consulates to Secretaria de Relaciones Exteriores, April 11, 1913, 762 R, Legajo 54, AHRE.

[68]R.G. Nuevo Laredo consul to the Secretary of State, May 30, 1913, 611.1224/19.

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in Brownsville, Texas.[69] In Brownsville, U.S. customs officials quickly denied charges noting that only sixty-six pounds of meat were sold to miners during the month of June. [70] The Treasury Department also defended its operations at Laredo, Texas, stating that since January 1, 1913, 30,000 head of cattle had passed through Laredo and every single one had been purchased from the rightful owner in Mexico.[71]

The cost of meat, as a result of the unstable conditions in Mexico, rose quickly in 1913. In Torreón, for example, the price of food-stuffs went from eighty centavos to two pesos per kilo.[72] Sale of meat in the city of Durango reached eight pesos per kilo. [73]

The area around Durango during this phase of the revolution seemed the center of cattle stealing bands. Camile Allec, a rancher

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[69]R.G. 59, Frank C. Pierce to the president of the United States, June 17, 1913, 611.1224/20.

[70]R.G. 59, Treasury Department to the Secretary of State, June 30, 1913, 611. 1224/25.

[71]R.G. 59, Treasury Department to the Secretary of State, July 14, 1913, 611.1224/23/

[72]R.G. 59, George C. Carothers to consul general Philip C. Hana, July 13, 1913, 812.00/8538.

[73]R.G. 59, Tampico consul to the Secretary of State, August 10, 1913. 812.00/8289.

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living northwest of Durango, had most of his cattle andsheep driven off or stolen. His house, storehouses, and barns were stripped of good and his horses taken. In addition, his son was kidnapped and held hostage for several days.[74] On April 4, a ranch adjoining the city of Durango was sacked. [75] The consul on April 5 , reported that Durango was practically overrun by rebels who " . . . are contending for no definite principles but are merely taking advantage of the present chaotic conditions of affairs to enrich themselves by plundering and robbery." The bands ranged from five to several hundred men, "recently recruited from the worst elements of laborers on ranches and mining camps in those districts." [76] "Durango", according to the consul, was "practically in a state of siege." Rebel bands were "working havoc on the neighboring ranches within sight of this city." [77] "And so the story might go on," wrote the consul. "I am convinced," he continued, " that American interests in this state

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[74]R.G. 59, Durango consul to the Secretary of State, June 3, 1913, 812.00/7857.

[75]R.G. 59, Durango consul to the Secretary of State, April 5, 1913, 812.00/7358.

[76]Ibid.

[77]R.G. 59, Durango consul to the Secretary of State, April 16, 1913, 812.00/7163.

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[Durango] have suffered more heavily during the past three months of anarchy than during the preceeding two years and a half of revolutionary disturbances." [78]

From 1912 to 1921 unsettled conditions in Mexico necessarily militated against an unhampered trade in beef cattle.[79] In Tampico, rebel leaders shipped 3,000 head of confiscated cattle to Brownsville, Texas. American property was reported destroyed and large amounts of tribute demanded of the families there.[80]

Opportunistic United States citizens joined in the wholesale looting and destruction of unfortunate landholders. Several Eagle Pass, Texas, citizens were apprehended paying individuals to steal cattle and bring them into the United States. [81] As the situation continued to worsen the governor of Coahuila decreed on January 15, 1914, that any livestock sale in Coahuila for the purpose of export was subject to a levy of four pesos including any movement of stock to another country by the original owner.[82]

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[78] R.G. 59, Durango consul to the Secretary of State, June 3, 1913, 812.00/7857.

[79] Davis and Dietz, Beef Cattle, p.4.

[80] R.G. 59, Tampico consul to the Secretary of State, January 9, 1914, 812.00/10489.

[81] Brigade Commander Cd. Porfirio Díaz to Eagle Pass Mexican consul, January 10, 1914, 758 R, Leg. 7, AHRE.

[82] R.G. 59, Decree of Governor of Coahuila, January 15, 1914, 611.1227/28.

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Trade in hides also suffered restrictions. A man purchased two hundred and fifty cattle and goat hides for over $3,000. He then attempted to get the hides into the United States, but entry was denied as the hides were known to belong to an American firm. [83] Denied the right of selling the hides in the United States, he demanded the right to condemn the hides for the carrancista government.[84] When the American owner of the hides appeared to claim them, the man refused to release them for less than $2,000. [85] In January, 1914, in another effort to raise needed revenues, Chihuahua authorities seized and shipped carloads of hides to Paso de Norte. These same authorities claimed possession of all hides remaining in the state.[86]

In areas controlled by the constitutionalists, export taxes on cattle, another form of revenue, was raised to nearly twenty pesos per head of stock. The constitutionalist tax increase was apparently to help pay a 30,000,000 peso arms and ammunition debt. [87] To

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[83] R.G. 59, Cd. Porfirio Díaz consul to the Secretary of State, March 17, 1913, 611.1224/4.

[84] R.G. 59, Cd. Porfirio Díaz consul to the Secretary of State, March 18, 1913, 611.1224/7.

[85] Ibid.

[86] R.G. 59, Chihuahua consul to the Secretary of State, January 3, 1914, 611.1224/28.

[87] The El Paso Times, February 15, 1914.

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receive arms and war material most revolutionary forces tended to gain entry points along the border in a very fluid manner, move cattle into the United States and disappear into the desert.

The export tax in Mexico ultimately stopped the legitimate exportation of cattle.[88] On March 3, 1914, the Secretary of Hacienda (Treasury) announced in a decree a forty peso tax on single animal exports and fifteen pesos per head of cattle exported in herds.[89] The consul in Ensanada claimed that the "prohibitive" tax on cattle exportation was the work of the governor of Baja California.

American employees of the California-Mexico Cattle Company located at Calexico, Baja California, had tried a more positive way of protesting molestation of their property. They were armed and paid by federal authorities to act as auxiliary soldiers.[90] The Ensanada consul noted that the California-Mexico Cattle Company was the largest American enterprise operating on the Mexican side of the Imperial Valley. It possessed over 800,000 acres of

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[88] R.G. 59, Veracruz consul to the Secretary of State, March 6, 1914, 611.127/30.

[89] Lopez Rosado, Historia Agricultura, I, 142-143.

[90] R.G. 59, Solicitor, Department of State to Latin American Division, October 15, 1913, 812.00/9196.

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land and 1,800 cattle. "It is natural," he wrote, "that this company should arm their several hundred employees for their own protection but I am certain such a move is not made with any intention to aid the de facto government of Mexico."[91] Carrancista general Alvaro Obregón countered with the threat that if armed, "they will be tried and judged in accordance with the law of January 25, 1862, no matter to what nationality they might belong."[92] Cattlemen, unable to protect their stock, began to move them to the safety of the United States.

This move gave the governor of Baja California the justification he needed for a new tax on cattle, it "threatened cattle famine as American owners of livestock moved them to the United States rather than butcher them for the local population." the Ensanada consul exclaimed that "This tax is prohibitive and patently unjust. If it is maintained, it will destroy the cattle industry in this district."[93]

Americans faced with threatened confiscation at this time had little or no direct communication between the United States and Mexico

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[91]R. G. 59, Ensanada consul to the Secretary of State, November 18, 1913, 812.00/9729.

[92]R. G. 59, Hermissillo consul to the Secretary of State, October 12, 1913, 812.00/9353.

[93]R. G. 59, Ensanada consul to the Secretary of State, March 14, 1914, 611.127/31.

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City.[94] At ports of entry, the collector of Customs made every effort to aid fleeing refugees coming into the United States. Personal and household goods were not subject to duty fee even if sent to a different port of entry than that of the refugee.[95]

Individuals remaining in Mexico faced hazardous conditions. One such person was William Benton. Benton, an English hacendado, went to Cd. Juárez to protest personally the shooting of his livestock by villistas. Stories vary about what happened next, but the hot tempered Benton was shot and killed while in Pancho Villa's encampment.[96]

Conditions in northern Mexico plunged to a state of near anarchy during the years 1913-1914. Orozquistas retreating from constitutionalist onslaughts burned ranches and haciendas as they were forced to abandon them.[97] Export taxes rose as power cliques established control of an area. Unguarded hides and cattle herds were constantly subject to pilfering or outright confiscation. Large

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[94]R.G. 59, John Nance Garner to the Secretary of State, April 28, 1914, 312/115 W37; R.G. 59, Cardoza de Oliveira, Brazilian Minister to Mexico to Secretary of State, May 5, 1914, 312.115 W37/1.

[95]R.G. 59, Treasury Department to the Secretary of State, January 27, 1914, 611. 1124/45.

[96]Florence C. and Robert H. Lister, Chihuahua:Storehouse of Storms (Albequerque: Albuquerque: University of New Mexico,1966),p.235.

[97]R.G. 59, Saltillo consul to the Secretary of State, May 10, 1914, 812.00/3863.

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landholders such as the Terrazas family and American interests were particularly hard hit, with nearly all the stolen hides and cattle finding theirway into the United States.

The Bureau of Animal Industry reported that from July 1913 to May 15, 1914, 650,000 cattle were admitted into the United States at official ports of entry.[98] The total number of cattle brought into the United States at all ports along the extended international boundary can only be a matter of speculation but assuredly it was far greater than the number reported by the bureau.

Outcrys against the ease of illegal entry into the United States continued as pillaging of ranches in Mexico rose steadily. American interests insisted on tighter regulations regarding the entry of cattle. As authorities began to respond to pressure and shipments of live cattle into the United States began to slow one revolutionary general began to experiment with yet another way to finance the revolution in Mexico.

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[98]R.G. 59, Veterinary Inspector to the Bureau of Animal Industry United States Department of Agriculture, May 15, 1914, 17 2.527.

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CHAPTER III

THE JUÁREZ MEAT PACKING PLANT

For a year (May, 1914 to May, 1915) Pancho Villa exercised supreme control in northcentral Mexico. His <u>división del Norte</u> was the largest ever in Mexico and equipping and feeding it was a difficult task. With United States customs agents more and more difficult to deal with, Villa was hard put to devise an alternative method of supplying his troops.

Individuals suffering extensive cattle losses through revolutionary or bandit depredations could often go to the United States customs house at the nearest port of entry and recover the livestock. Pancho Villa, how in control of much of the border areas contiguous to the United States, seemed about to put a much more complex scheme into operation. Paying $20,000. in gold to the firm of Weaver and Sherman, Villa took over the Juárez meat packing plant. [99]

Villa began remodeling the Juárez packing plant according to

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[99] R.G. 59, Sherman to Bureau of Animal Industry, May18, 1914, 17 141.55.

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specifications needed for the slaughter of large numbers of animals.[100] Villa chose Doctor John Sevenster as the inspecting veterinarian at the Juárez packing plant but for personal reasons he was unable to take the job. Sevenster recommended Doctor O. E. Troy as the chief inspector. The U. S. D. A., was not sure how to accept Doctor Troy's signature on the certificates when he represented no legally recognized government.[101]

Villa's Juárez slaughterhouse began to have serious effects on American-owned livestock in Mexico. L.H. Landergin, president of the Panhandle and Southwestern Livestock Association, complained that while Villa had been capturing American-owned livestock and shipping them to the United States, the Association had had some success in recapturing the stolen stock. Now cattle captured on the Mexican side of the Río Grande arrived at Juárez, was slaughtered and butchered and the meat shipped to the United States via refrigerated cars. Landergin suggested that meat coming out of Juárez should be carefully checked for disease and other sanitary imperfections.[102]

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[100] R,G, 17, Hipolito Villa to the United States Department of Agriculture, November 5, 1914, 141.55.

[101] R.G. 17, Hipolito Villa to the Secretary of State, November 8, 1914, 141.55.

[102] R.G. 59, E.A. Culberson to the Secretary of State, January 8, 1915, 312.114P 19.

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In a response to Landergin, the U. S. D.A. declared that there was very little that could be done about meat from the Juárez plant. The U.S.D.A. had prohibited meat from Villa's operation earlier, but the plant had since then corrected sanitary irregularities. The meat was inspected at Juárez and then checked again before entry into the United States. Cattle from Sonora afflicted with tick fever were rejected at the plant though the dressed beef would have enjoyed considerable market in the United States. [103]

George C. Carothers in March, 1915, was convinced that Villa's Juárez slaughterhouse and packing was doing the job it was supposed to do and doing it in a sanitary manner. Carothers maintained that the meat was legitimately purchased from Luis Terrazas and other northern Mexico cattlemen. Luis Terrazas, however, later claimed that the contracts for beef given to Villa at this time were made under duress. Cudahy and Company of El Paso was evidently satisfied with the legality of the meat sales for they bought enormous quantities from the Juárez plant. Carothers produced letters of conveyance from Luis Terrazas (December 22, 1914) and the Kraft and Madero Packing Company (December 22, 1914). [104]

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[103] R.G. 59, Secretary of Agriculture to the Secretary of State, January 21, 1915, 312.114P19/2.

[104] R.G. 59, George C. Carothers to the Secretary of State, March 15, 1915, 312.114 P 19/5.

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The American National Livestock Association complained to the governor of Texas that the packing plant in Juárez and the Cudahy business with the plant was causing the slaughter of American cattle along the Mexican side of the border, the carcasses being brought then to the United States through Juárez. [105] Official United States policy prevented intervention in Mexico for Americans with holdings there although H.G. Otis and Harry Chandler owners of the Los Angeles Times joined W.R. Hearst in actively pursuring it. Their considerable holding, the two million acre C-M Land and Cattle Company, a Díaz land grant , was slated for destruction by both Carranza and Villa.[106]

Villa forced duress contracts on cattle owners, slaughtered the beef in Mexico, and shipped it dressed and chilled to markets in the United States.[107] Duress contracts were forced agreements providing a basis for legalized thievery. One example of the duress contract

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[105] R.G. 17, American National Livestock Association to the Governor of Texas, April 6, 1915, 141.55.

[106] R.G. 59, Attorney General to the Secretary of State, April 22, 1915, 812.00/14925.

[107] R.G. 17, Shuman to the Bureau of Animal Industry, May 18, 1914, 141.55.

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Villa employed so successfully was the imprisonment of Luis Terrazas Jr., son of the millionaire landowner. [108]

As the constitutionalists became more established in Mexico some of the long sought reforms began to materialize including the destruction and re-distribution of the large latifundios. Villa, however, maintained control of liquid assets in Chihuahua such as cattle grazing on the open range. The great volume of cattle entering the United States from Mexico came from the Terrazas haciendas, but Villa did not discriminate and seized cattle where he could obtain them.

C.I. Hamilton, a Congressman from Michigan urged by his constituents, asked the State Department to aid in the protection of American owned ranches in Chihuahua. They also desired that Carranza, as head of the constitutionalists, be required to send forces to protect American interests,"especially in view of present relations between this government and the Carranza." [109] Villa, however, continued his lucrative trade with the United States cattle and sheep buyers using stock belonging to Luis Terrazas.

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[108] R.G. 59, Chihuahua consul to the Secretary of State, June 4, 1914.

[109] R.G. 59, C.I. Hamilton to the Secretary of State, October 14, 1914, 812.00/16479.

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Commercial interests in Juárez continued to deal with Villa. Cobb estimated that these interests and their American associates had exported Terrazas sheep and cattle and paid a tax to Villa of about $300,000. The export was calculated at ten dollars per head on cattle and one dollar per head on sheep. Terrazas received little, the profit being divided among those holding the contracts. "This commercial feature may wear itself out," wrote Cobb to Leon J. Canova of the State Department, "or upon exhaustion of the Terrazas livestock, it may shift to the operation in ores or lumber." [110]

Terrazas still tried to save his empire by convincing even more important individuals in the United States to take up his cause. Charles Hunt, former governor of Arizona and president of the Southwest Livestock Association tried to act as an intermediary between Fall and Villa. Hunt intimated that Fall would like to meet with Villa to get the Terrazas business resolved.[111] Cobb, however, expressed some doubt as to the honesty of either Hunt or Fall. According to Cobb, Hunt owned one of the largest cattle brokerages in El Paso and had dealt extensively in Mexican cattle for years. He believed Hunt wanted an

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[110] R.G. 59, Z.L. Cobb to Leon J. Canova, State Department, December 9, 1915, 812.00/17803.

[111] R.G. 59, Hunt to Francisco Villa, January 17, 1917, 812.00/20613.

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alliance with Villa so that they both might make some profit from Mexican livestock.[112] By the end of March, Cobb, sure of Hunt's intentions, wrote, "By preventing such profits for Colonel Hunt or anyone else seeking commercial association with Villa, we can suppress villista propaganda at the border."[113] Villa, however, refused to share the lucrative money being made on Terrazas livestock.

Carothers maintained that Villa's meat packing plant in Juárez was strictly legal, but Texas Panhandle cattlemen had other ideas. Refusing an invitation of the manager to visit the packing plant, the men instead decided to go to Washington, D.C. to see if something could not be done to stem the flow of refrigerated beef into the United States from Mexico.[114]

The Juárez plant operations came to a halt when the B.A.I. representative removed Doctor Troy, the resident veterinarian. The closure of the plant proved a stunning blow to Villa. Villa felt that the closure resulted from pressure applied by the cattle associations. He requested that Carothers appeal to the proper

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[112]R.G. 59, Z.L. Cobb to F.L. Polk, State Department, March 29, 1917, 812.00/20614.

[113]R.G. 59, Z.L. Cobb to F.L. Polk, March 29, 1917, 812.00/20761.

[114]R.G. 59, George C. Carothers to the Secretary of State, April 13, 1915, 312.114 P19/6.

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authorities for an inspection team to visit the plant and re-instate the meat inspection. He claimed that the plant had been remodeled to meet United States' standards and was modern and sanitary in every respect. Carothers, in addition appealed for the re-opening of the plantin order to have a better bargaining position with Villa on Other more important matters. [115] Carothers, perhaps better than anyone else, understood how Villa, while professing friendly relations with the United States, would, when crossed, turn into a dangerous enemy.

Zack Lamar Cobb, anxious to thwart Villa, exulted in the closure of the Juárez packing plant because it placed Villa in a difficult financial position. Cobb recommended that the Secretary of State use the case of the packing house as a means of control over Villa's activities, or a diplomatic lever on Villa.[116] The U.S.D.A. was at odds with Villa's contention that the closure of his packing plant resulted from political pressure by Texas stockmen. The U.S.D.A. maintained that the proclamation of May 7, by the Secretary of Agriculture was because a B.A.I. inspector had reported terrible conditions existing at the plant. The U.S.D.A. also reported that the plant could be re-opened when it cleaned up and met B.A.I. specifications.[117]

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[115] R.G. 59, George C. Carothers to the Secretary of State, May 7, 1915, 312.114P19/7.

[116] R.G. 59, Z.L. Cobb to the Secretary of State, May 9, 1915, 312.114P19/8.

[117] R.G. 59 Secretary of State to George C. Carothers, May 12, 1915, 312.114P19/10.

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Villa, however, countered that the packing did in fact meet sanitary requirements and that all that was needed was the appointment of an inspector to sign export certificates.[118]

With this turn of events, Carothers found his own position of effectiveness increasingly untenable. While the two maintained their personal friendliness, Villa and Carothers often found themselves working at official cross-purposes.

The war of nerves continued between the U.S.D.A. and Pancho Villa. The department insisted that a veterinarian and assistant be selected by the Bureau of Animal Industry and that both be present at all times. Their orders were to return to the bureau if they found themselves unable to enforce a good inspection system. The expenses of the inspectors came out of Villa's pocket. Villa was also required to put a security deposit for the salary with the collector of customs in El Paso.[119] Carothers reported to the Secretary of State within forty-eight hours that Hipolito Villa, brother of Pancho Villa had deposited six hundred dollars with Cobb.

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[118] R.G. 59, George C. Carothers to the Secretary of State, May. 19, 1915.

[119] R.G. 59, Secretary of Agriculture to the Secretary of State, May 24, 1915, 112/114P19/12.

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Villa desperately needed the revenue that the sale of beef in the United States provided.[120]

By July, the Department of Agriculture informed Villa that Mexico would have to provide her own inspectors. The United States inspectors, the department lamely declared, were just an experiment and that the experiment was a failure. Therefore, the Secretary of Agriculture suggested that he could no longer take any action on events transpiring in Mexico.[121]

Villa writing to Carothers on July 23, 1915 stated

> As you well know this general headquarters in my charge makes everyeffort to give guarantees to the persons and properties of American citizens, resident in Mexico, and constantly attends with efficiency and indications of the American Department of State. Not withstanding which we do not see any corresponding response in matters we have to take up with them and we receive no attention, such as in the case of the packing plant in Juárez. I would like to know if . . . our efforts are to be taken into consideration so as to act accordingly.[122]

Villa constantly felt that the government of the United States was

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[120] R.G. 59, George C. Carothers to the Secretary of State, May 24, 1915.

[121] R.G. 59, Secretary of Agriculture to the Secretary of State, June 24, 1915, 312.114.P19/19.

[122] R.G. 59, Francisco Villa to George C. Carothers, July 23, 1915, 312/114P19/24.

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unfair to him but his deep and abiding friendship with American citizens, such as General Hugh Scott, never dimmed.[123]

On August 3, 1915, Villa ordered all foreigners out of Chihuahua.[124] Carothers felt that the closure of the Juárez packing plant was one of the main reasons Villa was now causing so much trouble for foreigners in Chihuahua. Carothers reiterated that by allowing the plant to re-open the United States could take considerable pressure off foreigners and their property in northern Mexico.[125]

Secretary of State Robert Lansing searched for some sort of alternative to the growing stature of Venustiano Carranza and suggested that the meat inspection plant be re-opened in Juárez to allow Villa a source of income to support his armies.[126] Lansing felt that such a station would lend stability to the situation in Mexico. The plant would give Villa a legal means to dispose of cattle in the United

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[123]Clarence C. Clendenen, The United States and Pancho Villa (Ithaca: Cornell University Press, 1961).

[124]R.G. 59, E.D. Morgan of the Corralitos Cattle Company to the Secretary of State, August 3, 1915.

[125]R.G. 59, George C. Carothers to the Secretary of State, August 3, 1915, 312/114P19/28.

[126]Atkin, Revolution, p. 262.

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States.[127]

Lansing also wrote to the Secretary of Agriculture David F. Houston, then on vacation. Lansing proposed that under a military decree in Chihuahua, a system of meat inspection could be instituted and that would closely parallel United States inspection codes. The Secretary of Agriculture would designate an American veterinarian who would then receive official confirmation by Chihuahua authorities.[128] The Agriculture Secretary quickly agreed and contacted subordinates to make the final arrangements.[129]

In a message to Lansing August 7th, President Woodrow Wilson asked

> This message puzzled me a little [15751a]. Do you think it wise to put Villa in a way of getting money just at the moment when he is apparently weakest and on the verge of collapse? What will be gained by that, if, should he be left alone, he may be eliminated by the force of events.[130]

As soon as Cobb heard of the impending re-opening of the Juárez plant

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[127]R.G. 59, Robert Lansing to Woodrow Wilson, August 6, 1915, 812.00/15751/a.

[128]R.G. 59, Secretary of State to the Secretary of Agriculture, August 6, 1915, 312.114P 19/28b.

[129]R.G. 59, Secretary of Agriculture to the Secretary of State, August 6, 1915, 312/114P19/29.

[130]R.G. 59, Woodrow Wilson to Robert Lansing, August 7, 1915, 812.00/15751 1/2.

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he wired to the Secretary of State, "Please permit me to protest my name in matter by the statement to you that I do not approve and I have not approved the packing house application for a permit or favor from our government." [131]

With the re-opening of the plant imminent, Villa's troubles now turned towards contracting an American buyer for his produce. Pioneer Packing Company, initial signers of a contract, now tried to repudiate their agreement because of the high cost of the meat. Villa appealing to Carothers for help, was told, " . . . while it is probable that the port will be opened for the importation of meats it is impossible for us to mix in the business end of it."[132]

By early September both sides readied their defences concerning the re-opening of the plant. Carothers reported to the Secretary of State than the plant had passed inspection by the B.A.I. and would be ready for operation upon receipt of permits from the U.S.D.A. [133] Cobb, on the other hand, reported to the Secretary that "The prospective opening of the Juárez plant is reviving old antagonisms among cattle

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[131] R.G. 59, Z.L. Cobb to the Secretary of State, August 13, 1915, 312/114P19/30.

[132] R.G. 59, George C. Carothers to the Secretary of State, August 26, 1915, 312/114 P19/39.

[133] R.G. 59, Z.L. Cobb to the Secretary of State, September 1, 1915, 312.114P19/49.

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owners in both countries."[134] J.D. Jackson, president of the Cattle Raisers Association of Texas added his opinion, requesting that nothing be done about opening the plant until members of the Association could meet in Fort Worth on the fourteenth of September.[135] On September 8, 1915, the Secretary of Agriculture reported that meat could now be imported through the Juárez plant.[136]

On September 18, Carothers, in a letter to the Secretary of State, confided that Villa's financial situation was desperate and was forced to take everything of value in northern Mexico, " . . . especially ores, bullion, cotton, and cattle." Should these items be attacked by the owners in court action in El Paso than Villa could possibly attack El Paso. Authorities in El Paso, Carothers warned, should be prepared for any eventuality.[137]

On October 18, 1915, President Wilson recognized the de facto government of Venustiano Carranza. The effects of his action on the

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[134]R.G. 59,Z.L. Cobb to the Secretary of State, September 4, 1915, 312.114P 19/49.

[135]R.G. 59, J.D. Jackson to the Secretary of Agriculture, September 3, 1915, 312/114P19/64.

[136]R.G. 59, Secretary of Agriculture to the Secretary of State, September 8, 1915, 312/114P19/52.

[137]R.G. 59, George C. Carothers to the Secretary of State, September 18, 1915, 812.00/16219.

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cattle industry were almost immediate. The Secretary of State asked the Secretary of Agriculture to give serious thought to the "question of preventing the importation of cattle, other livestock, hides and other property coming under U.S.D.A. jurisdiction." The appeal extended to "any revolutionary faction opposed to the recognized de facto government of Mexico in the states of Sonora and Chihuahua."[138] The U.S.D.A. acted with dispatch, striking the name of the veterinarian in Juárez from their list of recognized foreign officials, and halting shipments of meat into the United States.[139]

With recognition of their government, constitutionalist agents in the United States claimed that Villa's forces in the north constituted only illegal bandit forces. The constitutionalist representative in Washington, D.C. entrusted the consul in El Paso with keeping an eye on any suspected Villa contraband. He insisted that any material coming into the United States must have paid duty to the constitutionalists.[140] The consul in turn asked collector of customs agent Z.L. Cobb to inform him of any such contraband.

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[138]R.G. 59, Secretary of State to the Secretary of Agriculture, October 20, 1915, 812.00/16612.

[139]R.G. 59, Secretary of Agriculture to the Secretary of State, October 20, 1915, 312/114P19/58.

[140]Constitutionalist representative in Washington, D.C, to El Paso consul, October21,1915, 811 R, leg. 4, AHRE.

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The year 1915, proved a decisive one in northern Mexico for both the cattle industry and revolutionary forces. Villa deposed from potential mastery of Mexico became increasingly a bandit. The cattle industry transfixed by the pillaging and confiscation suffered in the coming years "battles of the courtroom." Finally, the Juárez meat packing plant, though not entirely successful, heralded a new epoch for the vested landholder.

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CHAPTER IV

CARRANCISTA VERSUS VILLISTA

The year 1915 proved a turning point for constitutionalist forces fighting Francisco Villa in northern Mexico. By early 1916 he began his long fall from power. Unable to export marketable beef through Juárez, Villa seized cattle belonging to large landowners and crossed them into the United States at the closest border point. Constitutionalist agents attempted to keep track of most large shipments of cattle in northern Mexico while trying to sort out what was legitimate businessand what was stolen by Villa.

The constitutionalist consul in Douglas, Arizona requested that the El Paso consul embargo the cattle of a train leaving Hachita en route and send the particulars of where and how they had been acquired.[141]

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[141]Arizona consul to the El Paso consul, October 26, 1915, 811 R, Leg. 4, AHRE.

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Cobb, on October 27, 1915, estimated that Villa's profits from stolen sheep in four days was near $12,000. "They [villistas] continue to bring out cattle and keep owners from protecting themselves through threats of what would be done to remaining herds in Mexico." [142] The Alamo Cattle Company, the West Coast Cattle Company, and the Laosa Livestock Company, all American owned and operating in Sonora claimed that villistas took their cattle as rapidly as possible. The companies pleaded with the State Department to intercede on their behalf with the carrancista government to export the remaining cattle through Carranza's only port with the United States, Sasaba. [143] Carrancista foreign secretary Arrendondo stopped all cattle exports in an effort to put a halt to villista thievery. [144]

General Plutarco Elías Calles, later a president of Mexico, commander of the city of Sasaba, refused to allow any cattle shipments unlil the entire region had been secured from Villa. [145]

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[142] R.G. 59, Z.L. Cob to the Secretary of State, October 27, 1915, 812.00/16612.

[143] R.G. 59,,Nogales consul to the Secretary of State, October 28, 1915.

[144] R.G. 59, John W. Belt to the Secretary of State, November 2, 1915, 611. 127/80.

[145] R.G. 59, George C. Carothers to the Secretary of State, October 29, 1915, 611.129/44.

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Cobb, a supporter of controls vis à vis the shipment of goods from Mexico, finally acquired Treasury Department concurrence. Customs collectors were instructed to hold all shipments from Baja California, Sonora, and Chihuahua. Both the de facto government of Venustiano Carranza and the American president Wood Wilson now acted in concert against the bandit activities of Pancho Villa.[146] The Secretary of State informed Cobb that the U.S.D.A. was asked to lend every cooperation in the "detention of undesirable importations from Villa's territory."[147]

According to Cobb, if the Department of Agriculture withdrew inspection of catte because of ticks from south of the Chihuahua border, all imports could be detained and Villa revenue in El Paso stopped. "But", he declared, "the Secretary of Agriculture must act immediately in order to stop 3500 cattle the Villa crowd have ready to import tomorrow, Tuesday. I will delay entry pending instructions." [148] Cobb later added a postscript to the November 1st letter, "Unfortunately 3,500 cattle mentioned . . . already paid tax to Villa. Have given

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[146] R.G. 59, Secretary of State to the Secretary of Agriculture, October 30, 1915, 812.00/16612.

[147] R.G. 59, Secretary of State to Z.L. Cobb, November 1, 1915, 812.00/16612/

[148] R.G. 59, ZL.Cobb to the Secretary of State, November 1, 1915, 812.00/16613.

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further notice future shipments will be held on the Mexican side of the line, thereby avoiding tax payments to Villa, until satisfactory for entry." [149] Cobb, contacting American cattle owners in Mexico, urged them to cease shipments of cattle into the United States through areas controlled by Villa.

In the meantine, Secretary of State Lansing, forced by policy to support Carranza, asked Secretary of Agriculture Houston to lend his official support to the First Chief by prohibiting villista cattle from entering the United States. The Secretary of Agriculture replied by stating that acts of Congress,"refer rather to the animal than to the owner or shipper." The U.S.D.A. did not have the authority " to establish, by regulations, or otherwise, a distinction between shippers favorable to Americans and . . . unfavorable to those who are so engaged." [150]

With official U.S. ports of entry closed to him, Villa moved his operations to less populated areas of the United States Mexican border and continued to infiltrate large numbers of cattle. Reports were

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[149] R.G. 59, Z.L. Cobb to the Secretary of State, November 1, 1915, 812.00/16674.

[150] R.G. 59, Secretary of Agriculture to the Secretary of State, November 2, 1915, 812.00/16680

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received on November third that villistas had exported 4,000 head of cattle through Fabens, Texas some twenty-one miles southeast of El Paso, and that he intended to ship another 7,000 in the near future Profit to Villa was estimated at $100,000.[151]

Terrazas continued to be a favorite source of Villa revenue. Cobb related to the Secretary of State the demands of two American lawyers representing American interests. The lawyers demanded that these interests be allowed to import cattle and ship under an extant contract with Terrazas.[152] A member of the Terrazas' complained bitterly that everyone profited from the sale of his stock but himself.[153] Villa, after official U.S. recognition of Carranza, dropped all pretense of sharing duty profits with other revolutionary factions. Terrazas cattle and sheep formed a major source of that profit.[154] Carranza finally relented to pressure to open a port of importation of goods into the United States. On November 5, 1915, he agreed to open Sasaba, Sonora provided that ownership of stock could be proven and that the export

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[151] R.G. 59, El Paso consul to J.N. Amador, November 3, 1915, 611.124/89;El Paso consul to the Mexican Embassy in Washington, D.C. November 3, 1915, 811 R, Leg. 4, AHRE.

[152] R.G. 59, Z.L. Cobb to the Secretary of State, November 4, 1915, 812.00/16701

[153] R.G. 59, Z.L. Cobb to the Secretary of State, November 4, 1915, 812.00/16702.

[154] R.G. 59, Z.L. Cobb to the Secretary of State, November 5, 1915, 812.00/16866.

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duty be paid.[155] Villa reacted by vehemently attacking Sonoran cattle interests, threatening a $25,000 forced loan from four American owned compłained. The American owned Cananea Cattle Company came under attack; Villa threatened to seize all horses, saddles, and equipment without regard to ownership.[156] Carranza ordered his El Paso consul to require duties from all exportations regardless of any duty already paid to Villa.[157]

"Villa has long since ceased to be a revolutionary," Cobb wrote to Lansing," his organization of pirates, manned by Mexican soldiers and captained by American grafters continues to exist and thrive solely because this post is open to their loot." [158] On the tenth of November Villa drove another herd of 3,800 cattle across the international border at Fabens, Texas. The Corralitos Company planned to export 5,000 head through Columbus, New Mexico and to pay a tax to Villa. The company faced paying yet another tax to Carranza upon reaching the

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[155]R.G. 59, John Sulliman to the Secretary of State, November 5, 1915, 611.127/82.

[156]R.G. 59, George C. Carothers to the Secretary of State, November 5, 1915, 812.00/16717.

[157]El Paso consul to the Mexican embassy, November 9, 1915, 811 R, leg. 4, AHRE.

[158]R.G. 59, Z.L. Cobb to the Secretary of State, November 10, 1915, 611/1224/75.

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border.[159] The day before Christmas Villa declared confiscated all properties of the Babícora ranch, infuriating W.R. Hearst. With the confiscation decree Villa took the 60,000 cattle. [160] The declaration, however, was never consummated.

On January 4, 1916, Cobb writing to the Secretary of State noted that "The El Paso Cattle Company wishes to bring six hundred head of cattle into the United States through Bosquevonito which is not a regular port of entry. I don't think they should be allowed to enter at that point," he continued, "because it would give the de facto government cause to complain." [161] The department was quick to reply affirmatively to Cobb's request for denial to the El Paso Company. [162] The New York Sun in the meantime reported soaring meat prices in Mexico as a result of shortage. Breeders were forced to import meat and pay gold in advance. [163] Moreover, revolutionaries did irreparable damage to

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[159] El Paso consul to the Mexican embassy, November 10, 1915, 811R, leg. 4, AHRE; R.G. 59, Juan Amador to the Secretary of State, November 11, 1915, 611.1224/77.

[160] The New York Sun, December 24, 1915.

[161] R.G. 59, Z.L. Cobb to the Secretary of State, January 4, 1915, 1223/8.

[162] R.G. 59, ZL. Cobb to the Secretary of State, January 4, 1915, 611.1223/9.

[163] New York Sun, January 11, 1916.

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Mexico's livestock population by slaughtering prize breeding bulls.[164]

Hides, prohibited export by the carrancista government on February14, 1916 were once again placed on the export list. "In view of many representations received, a general permission for the exportation of green hides will be positively and absolutely prohibited." [165] Many of the hides entering into the United States from Mexico came illegally. Finnigan Brown Company entered two cars of hides they had purchased from the de facto government. It was discovered that eighty per cent of the hides showed Hearst cattle brand marks.[166]

Even with the hides embargo lifted, exporters still faced problems. The consular agent at Tampico, noting the possible existence of anthrax in his area, ordered disinfection of all hides shipped from there into the United States. [167]

Carranza, short of funds, was said to be considering the extensive sale of cattle and hides in the United States. [168] There were rumors

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[164] Ibid.

[165] R.G. 59, John Silliman to the Secretary of State, February 14, 1916, 611.129/116.

[166] R.G. 59, Z. L. Cobb to the Secretary of State, February 15, 1916, 611/1224/84.

[167] R.G. 59, Tampico consul to the Secretary of State, February 15, 1916.

[168] R.G. 59, George C. Carothers to the Secretary of State, February 16, 1916, 611. 1224/86.

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that officials in Juárez would re-open the meat packing plant in order to supplement income.[169] Carranza officials until February were paid in carrancista script which, in fact, was virtually worthless.[170]

William Harrell, Secretary of the Panhandle and Southwestern Stockman's Association, wrote to the Secretary of State on behalf of the ranchers in Mexico. He asked the Department of State to protect the ranchers in Mexico against the de facto government because Mexican ranchers claimed the state courts had no jurisdiction against bonded shipments. It was felt that unless protection was afforded losses under the de facto government would continue as high as under the villistas.[171] Villa still controlled considerable stretches of arid lands of northern Mexico. Learning of his approach, ranchers would move their cattle into the United States under bond.[172]

Property confiscated by the de facto government usually involved endless litigation.[173] On May 16, 1916, Ernesto Arrendondo,

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[169]R.G. 59, Z.L. Cobb to the Secretary of State, February 16, 1916, 611. 1224/85.

[170]R.G.59, Zachary L. Cobb to the Secretary of State, February 16, 1916.

[171]R.G. 59, W. Harrell to the Secretary of State, February 24, 1916, 611/1224/91.

[172]R.G. 59, McKinzie and Loomis Attorneys in El Paso the Secretary of State, March 8, 1916, 611.127/94; R.G. 59 El Paso consul to the Secretary of State, March 18, 1916.

[173]James Rogers, special agent to the State Department to Relaciones Exteriores, May 3, 1916, 811 R, Leg. 16-17-18-19, AHRE.

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confidential agent for the constitutionalists in Washington, informed the Secretary of State that on May eighth 2,500 head of stock were smuggled out of Mexico near the Long Ranch in New Mexico. Though these cattle were held by El Paso authorities Señor Arrendondo wanted Lansing to secure the holding of the stock until export duties were paid to the Mexican government. [174] S. W. Mc Call and T. J. Donahue owners of a herd of cattle brought from Mexico into Arizona, feared that these would be seized by Mexican troops. American troops stood ready to prevent mexicans from crossing the border to capture the cattle. Other cattle still in Mexico, however, stood a good chance of being seized by carrancista troops.[175]

Mexican reprisals on American owned beef cattle herds quickened, after General John H. Pershing entered Mexico in pursuit of Villa. Jacob C. Varn of Durango complained that former military commander, Francisco Murguia had confiscated his fanch and 3,000 pure bred Herefords. Five hundred had already been shipped to Piedras Negras. These cattle were valued at over $100,000.[176] The reason given for the confiscation was that the United States had declared war on Mexico.

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[174] R.G. 59, Arrendondo to the Secretary of State, May 14, 1916, 611.127/104,

[175] R.G. 59, Commanding General, Southern Department to the Adjutant General's office, May 15, 1916.

[176] R.G. 59, San Antonio consul to the Secretary of State, July 4, 1916, 312.115V43; R.G. 59, J. C. Varn to U.S. Representative J.R. Walker, July 19, 1916, 312/115V43/2.

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Varn claimed that the confiscation destroyed the largest remaining cattle herd in Mexico. Other ranchers reported similar confiscations.

On August 18, 1916, Carranza decreed that all foreigners owning interests in Mexico renounce their rights as foreigner to protection by their respective governments. [177] On October 21, the de facto government issued a declaration establishing a "clean zone" twenty kilometers wide along the international border. Any cattle in this zone could be confiscated. No export of cattle was allowed except through the de facto government approved ports of Nogales, Naco, Agua Prieta, Juárez, Ojinga, Bosquillas, Matamoros, Laredo, Villa, Acuña, and Piedras Negras. [178] On December 11, Carranza published a new export tax decree. Cattle exported by the owner needed no such special permit but otherwise special permission was absolutely indispensable. [179]

In January 1917, carrancista forces began negotiations for the re-opening of Villa's Juárez meat packing plant now under constitutionalist control. Consul general Ramón P. DeNegri pushed Americans to appoint an inspector, certified by the U.S.D.A. [180] Cobb, however,

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[177] Oficina de Informacion Relaciones Exteriores to the El Paso consul, August 18, 1916, 806 R, AHRE.

[178] R.G. 59, American vice-consul to the Secretary of State, October 21, 1916, 611.127/172.

[179] R.G. 59, Thurston to the Secretary of State, December 12, 1916, 611.127/172.

[180] R.G. 59, Consul General Ramon P. DeNegri to the Secretary of State, January 27, 1917, 312/114P19/66.

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argued that to re-open the plant would be to invite the wholesale slaughter of cattle gained by constitutionalists under duress contracts the same way Villa had.[181] Lansing steadfastly refused to consider the consul general's request.[182]

Meanwhile the de facto governmentencouraged moving cattle into Mexico for grazing and modified the import tax to two pesos per head from the former twenty pesos existing during the height of the fighting.[183] The new export tax inhibited exportation of bulls and cows under ten years in order to allow a rejuvenation of decimated cattle herds in northern Mexico.[184]

On November 7, 1917, one cattleman moved six hundred cattle onto Mexico's undergrazed northern range. The revolution fought so hard and for so long, began at last to wind down to where cattlemen felt safe to bring cattle back into Mexico.[185] Governors, area commanders, as well as the president of Mexico set about to re-build the shattered beef cattle industry of northern Mexico.

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[181]R.G.59, Z. L. Cobb to the Secretary of State, January 17, 1917, 312.114P19/65.

[182]R.G. 59, Lansing to DeNegri, February 7, 1917, 312.114P 19/66.

[183]R.G. 59, American consul General to the Secretary of State, November 12, 1917, 611.127/41.

[184]R.G. 59, American consul General to the Secretary of State November 17, 1917, 600/127/41.

[185]R.G. 59, Piedras Negras consul to the Secretary of State, November 7, 1917.

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CHAPTER V

THE DOWNFALL OF LUIS TERRAZAS

By 1918, little organized violence continued in Mexico. A few ranches in Texas reported Mexicans on the American side of the boundary were signaling bandits on the Mexican side of the line allowing them to make cattle raids.[186] The customs house in Juárez reported a few cattle thefts by General Murguía but these cattle were butchered for the local population.[187] On April 3, 1918, the United States Army sent a small force of troops into Mexico in pursuit of a raiding party. Unable to capture the party, the force returned by nightfall.[188] By the end of 1918, consular districts in Mexico were reporting no revolutionary violence.

Goods imported at the Nogales station demonstrated an increased

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[186] John Pool affidavit, W.P. Webb collection.

[187] R.G. 59, Z.L. Cobb to the Secretary of State, March 12, 1918, 611.1a9/211.

[188] R.G. 59, Y Bonillas to the Secretary of State, April 3, 1918, 812.00.0144/75.

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trade volume as violenee in Mexico decreased. From January 1, 1919 to March 31, 1919, trade into Mexico amounted to $1,372,314. 00 as compared to $975, 798 for the same period in the previous year. [189] The U.S.D.A. in 1902 published a small pamphlet concerning Mexico's need for purebred stock. Consular district agents were invited to send letters detailing the conditions and demands of their own particular areas. To a man the agents noted little or no demand for purebred stock.[190] Now, after nearly a decade of war, drought, disease, and chaotic conditions, northern Mexico's cattle herds were in deplorable shape. The U.S. Department of Commerce reported that Mexico's animal exports for 1920, represented only fouteen per cent of her total export.[191]

The Mexico City consul noted on April 30, 1024 the results of a study by the Mexican Ministry of Agriculture concerning the effects of the war years on cattle totals by state. In 1902, in Durango, 233,041 cattle were reported in the state, by 1923 only 23,280 remained. In Chihuahua, of 396, 023 cattle in 1902, only 96, 184 cattle remained, a

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[189] R.G. 59, Nogales consul to the Secretary of State, June 6, 1919, 611.12/29.

[190] D.E. Salmon, "Mexico as a Market for Purebred Beef Cattle," U.S.D.A., B.A.I., Bulletin XLI (Washington, D.C.: U.S. Government Printing Office, 1902).

[191] Hector Lazo, "Mexico as a Market for United States Goods," Information Bulletin, CCCVI, (Washington, D.C.: U.S. Government Printing Office, 1926).

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decrease of 299,839. Sonora reported a loss of 191,382, Coahuila 110,121 and Tamaulipas 148, 471. Total livestock decrease in the Republic of Mexico was estimated at sixty-seven per cent from a high in 1902 of 5,142,454 to a low in 1923 of 1,750,305.[192]

Cattle exports from Mexico dropped steadily when Carranza assumed power. Many ranchers began to rid themselves of range stock and began to rid themselves of tange stock and began to buy blooded stock. On January 19, 1918 the National Food Administration directed by Herbert Hoover received a letter from General F. Ruiz y Cerón with the incredible offer to sell to the United States 25,000 head of cattle each weighing not under two hundred and fifty kilos. [193] Offers of this sort were soon sharply curtailed.

As Mexico set about revamping her shattered industry, the Constitution of 1917 became a stepping stone to the re-building. Article 27, the article affecting the range lands of northern Mexico read in part,

> The ownership of lands and waters conspired within the limits of the national territory is vested originally in the nation, which has had and has, the right to transmit title thereof, to private persons, thereby constituting private property . . . the nation

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[192] R.G. 59, Mexico City consul report, April 30, 1924, 166.185/6.

[193] R.G. 59, Department of State to Herbert Hoover, January 19, 1918, 812.62221/2.

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> shall have at all times the right to impose on private property such limitations as the public interest may demand, as well as the right to regulate the development of natural resources, which are susceptible of appropriation, in order to conserve and equitably to distribute the public wealth. For this purpose necessary measures shall be taken to divide large landed estates.[194]

Luis Terrazas, trying to sell his lands to recouphis losses was one of the first to experience the weight of article 27. An innocuous bill introduced into the Chihuahua state legislature in February, 1922 gave the first indication in Chihuahua that Terrazas land merited local attention. The bill, if passed, enabled an A.J. McQuatters and others, including James G. McNary, President of the First National Bank of El Paso, Texas, to close an option for the entire Terrazas land holdings. It enabled them to divide the lands and re-sell them to Mexicans and foreigners on easy twenty year terms. The main feature of the bill was a clause exempting the land from any future state land laws. Also established in conjunction with the purchase was a land bank; this and the land held by a company named Companía Agraria de Chihuahua. The bill especially exempted the company from the agrarian law which was under consideration in the state legislature.[195]

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[194]Mexico Constitution excerpt from the American Chamber of Commerce of Mexico's English translation, 1927.

[195]R.G. 59, Chihuahua consul to the Secretary of State, February 7, 1922, 812.52T27/1.

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The federal government at this time also planned for the eventual distribution of all latifundios. According to the United States consul in Juárez, the new agrarian laws allowed seizure of nearly all of the estates owned by Luis Terrazas for parcelling out to small land holders. Across Chihuahua several million acres valued at ten dollars per acre became subject to seizure. Purchase of these lands could be made at the rate of one and a half dollars per acres. The National Agrarian Commission aimed to establish an Agricultural bank at Chihuahua to assist in financing the prospective new landholders. By so doing the government served warning on other latifundios.[196]

General Ignacío Enriquez, governor of the state of Chihuahua, considered the proposed McQuatters bill as in keeping with revolutionary ideals and urged quick passage in order to bring new capital into the state to speed the division of lands, thus decidedly cooperating in the realization of long sought ideals.[197] The proposed company would be subject to the laws of Mexico and Chihuahua excepting the agrarian law.

In the contract, essentially a document between McQuatters and Governor Enriquez, the economic development of Chihuahua became imperative. According to article five of the state constitution, every

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[196]R.G. 59, Cd. Juárez consul to the Secretary of State, February 9, 1922, 812/52T27/2.

[197]R.G. 59, Chihuahua consul to the Secretary of State, February 10, 1922.

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inhabitant of the state had a right to cultivate the soil. McQuatters was willing to establish a Mexican company and he was empowered to acquire parcels of land inside the territorial limits of Chihuahua. Here was a man who seemed genuinely concerned with alleviating the land problem. The character of the soil and the location of water and its availability received classification in the proposed contract, an important element in the arid Chihuahua desert. The contract even established an irrigation district. Landowners were, according to the proposed contract, allowed to use company forests for lumber and fuel. Grazing lots could not be sold for more than three dollars per acre and when eighty per cent of the irrigated lands were sold the company was then obligated to bring more land under cultivation until one hundred thousand acres were being cultivated.[198]

The contract also set aside 500,000 acres not subject to irrigation in ten zones, fifty per cent of this sold in not more than 50,000 acre parcels. In each of the ten zones fifty per cent of the land must be reserved for agricultural colonies. Chihuahua could buy the entire thing in twenty years for the initial cost plus twenty-five per cent. The contract included a clause for the establishment of experimental stations staffed by state workers and provided by the

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[198] R.G. 59, Chihuahua consul to the Secretary of State, February 15, 1922, 812.52T27/4.

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company five hundred irrigated and 1,200 non-irrigated acres for experimentation. The company also obligated itself to provide free to the state at least ten buildings for primary schools.[199]

The state in turn waived all taxes on land when the contract involved less than $2,500 . The state would ,in addition, make all efforts to assist in acquiring any franchise from the federal government for the establishment of an agricultural bank with a cash capital of $125,000. Additionally, the company agreed to rejuvenate the cattle industry with at least 50,000 head of good grade grade cattle, and to establish breeding farms or to sponsor farms for the improvement of cattle quality. These cattle could then be sold in small lots for the re-stocking of grazing lands throughout the state.[200]

Unfortunately for McQuatters and his associates the timing of their submission of the contract coincided with the introduction of the agrarian bill. Perhaps McQuatters felt that the bill would pass with only a cursory discussion; such was not the case. Radical agrarian elements in the legislature caught wind of the contract, and after it was placed on the agenda with a favorable recommendation by both the committee concerned and the governor, the contract was withdrawn pending approval of the agrarian law under consideration. Agraristas

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[199] Ibid.

[200] Ibid.

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felt that to approve the contract before passage of the agrarian bill would place over half of the state of Chihuahua in American hands and from there into the hands of the government of the United States.[201] The tabling of the contract made it essentially a dead letter because McQuatters had publicly stated that he would withdraw the offer if he had to operate under the agrarian law. The governor held a public meeting in which he answered point for point the questions of the agraristas. The legislature re-considered its action and voted to review the McQuatters contract.[202]

While maneuvering in the state legislature continued, the United States consul happily calculated projected business increases for American industry. The consul felt that the project created a demand for all kinds of American commodities such as agricultural implements, automotive products, building supplies, livestock for breeding and many other items.

The production of food commodities became the major problem that faced the people of Chihuahua. For a state the size of Chihuahua the crop statistics seemed low even with the whirlwind of the revolution. In 1921 the crops provided less than one bushel of beans per person for the entire year and slightly less than two bushels of

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[201] R.G. 59, Chihuahua consul to the Secretary of State, February 17, 1922, 812.52T27/6.

[202] Ibid.

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corn.[203] While it must always be borne in mind that parts of Chihuahua are desert, production had to be elevated from subsistence levels. Irrigation was one way to increase production. That was the plan of the people involved in the disposition of the Terrazas estate. Among the men associated with McQuatters were eastern United States lawyers and bankers. These men with competent engineers could possibly have changed the complexion of the Terrazas lands. The actual purchase price was not ascertainable because over $25,000,000 was agreed upon for both improvements and the actual sale price.[204]

Although state legislation was stalled the state government continued to publish favorable articles in El Diario. Sixteen members of the state legislature publicly stated that they supported the plan while only four actually proclaimed themselves against it. McQuatter's willingness to allow Mexicans a twenty per cent discount on the purchase of the land seemed to facilitate the passage of the contract.[205]

Then on April 8, as a result of agrarian party pressure, the legislature suspended consideration of the contract. Members of the National Agrarian Party filed formal charges of treason against

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[203] R.G. 59, Chihuahua consul to the Secretary of State, February 17,1922, 812.52T27/6.

[204] R.G. 59, Chihuahua consul to the Secretary of State, February 21,1922, 812.52T27/7.

[205] R.G. 59, Chihuahua consul to the Secretary of State February 25, 1922, 812.52T 27/8.

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governor Enriquez. He left the state in order to gather federal support from the government in Mexico City by the time the charges were formally preferred. His trip was to no avail, however, for president Alvaro Obregón filed a decree expropriating all properties of Luis Terrazas not under cultivation.[206]

Upon governor Enriquez's return to Chihuahua his communiqués reflected official federal policy. He announced on April 9, 1922 that the policy of the new national government was one of prohibiting foreigners from owning lands and that the sale of the Terrazas lands would set an unwanted precedent. "From now on," Enriquez decreed, "every one who pretends to sell his lands to foreigners can be very certain that he exposes himself to the same proceedings of expropriation." [207]

Meanwhile Terrazas' family and associates sought redress in district court, arguing that the lands should not revert to the federal government. The government, in turn, hoped to assure that no one would tamper with its proceedings of confiscation. It claimed that it was trying to re-gain lands that might have been illegally ceded to Luis Terrazas by Porfirio Díaz.[208]

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[206] R.G. 59, Chihuahua consul to the Secretary of State, April 8, 1922, 812.52T27/12.

[207] R.G. 59, Chihuahua consul to the Secretary of State, April 10, 1922, 812.52T27/13.

[208] R.G. 59, Chargé d'affaires to the Secretary of State, April 8, 1922, 812.52T27/12.

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El Universal of Mexico City clarified government intent regarding the Terrazas properties once they were placed under the authority of the Department of Agriculture and Development:

> Señor Dozal stated to us that the purpose of the government when the expropriation shall have taken place, is to parcel and colonize the lands in question, i.e. the same way and pursuant to the policy the government is following in such matters.[209]

On April 18, 1922 President Obregón declared that the lands of the Terrazas estate were considered a public utility. Federal District Attorney V.M. Matinéz placed the official valuation of the Terrazas property at $1,500,000.[210]

McQuatters by this time had expended a large sum of money toward purchase of the estate. In first six months his expenses totalled $50,000 for the purchase of the estate and another $120,000 for engineering work. For the second six months he paid $100,000 to the Terrazas family and managed to have the contract extended for an indefinite period. According to McQuatters the contract became known to the government in July, 1921 when the Minister of Agriculture ordered that the official transfer of the lands be recorded. In November, 1921 in order to speed sale of the lands Terrazas reduced the

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[209] El Universal, April 6, 1922.

[210] R.G. 59, Chihuahua consul to the Secretary of State, April 18, 1922, 812.52T27/14.

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selling price from two-fifty to one-fifty an acre. On December 10, 1921, McQuatters acquired permission from Obregón to purchase the land and now suddenly, the government was expropriating the whole thing. The only redeeming feature of the whole affair was that all money he had invested would be refunded.[211]

Obregón also proved willing to reimburse Terrazas for the lands and legal expenses. Despite this, Terrazas' attorneys contended that Obregón had exceeded his authority in expropriating the land. The government had additionally declared that the sale of the Terrazas property to Americans was illegal and all future land disposition would be considered from the same viewpoint. The government declared that it was necessary to take energetic steps to suppress such an evil as selling Mexican lands to Americans.[212] The decree of acquisition of the Terrazas property was published in Diario Oficial on April 12, 1922.

> Whereas Mister Luis Terrazas owns more than two million hectares of Chihuahua and a great part are in an abandoned and uncultivated state. The program of the government is to sub-divide the landed estates. The federal government intends to see article 27 carried out. The expropriation of lands is hereby declared in favor of Federality,

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[211] R.G. 59, Chihuahua consul to the Secretary of State, April 22, 1922, 812.52T27/15.

[212] R.G. 59, Chargé d'affaires to the Secretary of State, April 20, 1922, 812.52T27/17.

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> excluded are lands under cultivation. The proprietor shall be indemnified to the value that appears on the tax records plus ten per cent.[213]

With the Terrazas case being disucssed in court, the judicial branch of government soon became involved in the dispute. In Juárez Federal Judge Gonzalez Medina issued a restraining order against Obregón's decree, The district judge also refused amparo sought by representatives of the Terrazas family and based his decision on article 27 of the constitution. The case couldnow go to the Supreme Court of appeal.

The case did not reach the Supreme Court in time. On May 13, District Court ruled in favor of the government in declaring the titles of the hacienda San Miguel void.[214] The Terrazas petition for definite suspension was denied and the expropriation of the Terrazas estate nearly complete. On May 31, the legal representative of the Terrazas family was called into private consultation with the Federal government to avoid any further difficulty.[215]

On June 15, Roverto V. Pesqueira, official mediator, announced in El Paso that final agreement had been reached. Terrazas would sell the entire estate to the government, except a small country home near

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[213] R.G. 59, Mexico City consul to the Secretary of State, May 4, 1922.

[214] R.G. 59, Chargé d'affaires to the Secretary of State, May 31, 1922.

[215] R.G. 59, Chargé d'affaires to the Secretary of State, May 31, 1922, 812.52T27/23.

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Chihuahua, for one dollar twenty-five cents per acre. The bank, representing the government, would then rent the estate to McQuatters for stocking, improvement, and sub-renting in small parcels.[216]

McQuatters refused the offer since the land had been deeded over to him before government intervention. As a result he forced the government to purchase his investment. On July 11, 1922, McQuatters confirmed the Mexican purchase price at $6,800,000; he would realize just under a million dollars over and above his expenses.[217] Four days previously, final negotiations between the government and Terrazas were reached. The size of the monetary agreement between the two parties exceeded $14,000,000 pesos.[218] The National Loan Department was instructed to receive the Terrazas lands and to parcel them among the town of the district.[219]

Terrazas then became the one target of men who desired change. He tried to sell his lands to a foreigner, and with Mexican nationalism rampant, liberal and conservative alike attacked him. On a slightly

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[216] R.G. 59, Cd. Juárez consul to the Secretary of State, June 17, 1922, 812/52T27/25.

[217] R.G. 59, Chihuahua consul to the Secretary of State, July 11, 1922, 812/52T27/31.

[218] R.G.59, Chargé d'affaires to the Secretary of State, July 7, 1922, 812.52T27/29.

[219] R.G. 59, Chargé d'affaires to the Secretary of State, July 1, 1922.

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less idealistic but certainly no less pragmatic level Terrazas simply controlled too much land and food. The revolutionary armies had to eat and the Terrazas cattle beckoned. Villa, while certainly no idealogue, realized early that in order to survive he had to obtain food and arms for his men. To take these things from the peones injured his cause, he chose them the only vulnerable target readily available, the Terrazas estate. The final disposition followed similar lines. By 1922, Terrazas was firmly established in the nation's eyes as part of the forces of reaction; his abandonment of Mexico during the revolution negated any memory of his fight against the French fifty years before.

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CHAPTER VI

CONCLUSION

Luis Terrazas' ownership of over 6,000,000 acres of land in northern Mexico is a somewhat extreme example of conditions in that area just after the turn of the century. It is, however, indicative of the disparity in ownership laws Mexico suffered during the Díaz regime. Terrazas fits into twentieth century Mexican ideology as perhaps the most perfect example of the peones' antipathy to large landed estates. While reform laws of the revolution did not aim specifically at Luis Terrazas the effects became classical.

Northern Mexico, center of Mexico's beef cattle industry, developed large landholdings as a partial result of the great aridity of the land. An area over half the total land mass of Mexico ideally suited itself to cattle grazing. Livestock production increasingly centered in this area as the formidable expansion of cattle production figures attest. Terrazas' cattle statistics, mentioned earlier, are on a scale seldom reproduced anywhere in the world. Luis Terrazas looms in the history of northern Mexico because of the veritable fortune in land and cattle he controlled.

Some of the changes wrought in northern Mexico were not

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necessarily the product of the Revolution. Construction of an international boundary fence had long been discussed between the authorities of the respective governments of Mexico and the United States. It was, however, the Revolution that prompted many changes. As violence flared and cattle herd patterns became disrupted, increasing anxiety over the immediate construction of the fence manifested itself.

In northern Mexico events of the Revolution revolved around the figure of one man, Pancho Villa. When Francisco Madero and his Vice-President Pino Suárez were assassinated on orders of Madero's own general Victoriano Huerta. Huerta found himself facing the immediate challenge of Emiliano Zapata in southern Mexico, Alvaro Obregón in northwestern Mexico, Venustiano Carranza, heading a weak coalition of northern revolutionaries, and Pancho Villa, unconditional leader of the largest and most powerful army in Mexico.

Villa financed his huge army through a massive exportation program of live beef cattle to markets in the United States. These cattle, obtained through duress contracts with noted northern landowners such as Luis Terrazas, provided Villa with invaluable sources of revenue to purchase needed items such as arms and ammunition for his army.

While Villa remained a power in northern Nexico, other forces overshadowed him on a national scale. Carranza, gaining control of Mexico City, soon implemented plans for becoming the recognized government of Mexico, ousting such forces as Pancho Villa. The carrancista government, in order to halt illegal exportation of cattle by villista

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revolutionaries ordered prohibitive export taxes be placed on all cattle movements in northern Mexico. Bandit forces, if caught exporting cattle without the required tax paid, could lose the entire herd by confiscation.

Pancho Villa's purchase of the meat packing firm in Juárez, owned by the American company of Weaver and Sherman threw the entire concept of exporting cattle to the United States into high gear. On May 18, 1914, Villa transformed the drain on Mexico's beef cattle industry from an inconsistent and dangerous process to that of a large scale operation.

With the number of cattle Villa was dealingin, many Americans attempted to come to some sort of agreement with him in order to reap vast profits. There is substantial evidence that this was the motive of Charles F. Hunt, former governor of Arizona, and Albert Fall, United States senator and later conspirator to sell Teapot Dome oil reserves to private sources.

It required considerable pressure on the United States Department of Agriculture by Livestock Association members to force closure of Villa's operation in Juárez. Another factor leading to the demise of the authority of Pancho Villa was the recognition on October 18, 1915 by President Woodrow Wilson of the de facto government of Venustiano Carranza. Villa, denied the use of his packing plant, resumed moving stolen cattle across the border in isolated sections of northern Mexico.

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Pancho Villa enjoyed only a temporary resurgence of popularity and strength when he was pursued into Mexico by an American Army Expeditionary Force led by General John J. Pershing after a raid on Columbus, New Mexico. But by 1918 little organized violence continued in Mexico.

As conditions in Mexico quieted, matters such as disposition of lands began to receive needed consideration. Mexican nationalism, kindled by revolutionary fires, made the disposition of large estates a difficult task. Plans, such as the one A. J. McQuatters proferred, stood to do much for the economy of northern Mexico. The fact that he was a foreigner, however, militated against acceptance of his plan.

The beef cattle industry of northern Mexico, scattered and decimated by revolutionary factions, became a symbol of changing ideals. Large landowners were forced because of Article 27 to relieve themselves of vast estates and adopt instead intensive holdings of closed range and improved blooded stock. The cattleindustry was a symbol fathered by a nationalistic spirt. on the plains of northern Mexico.

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APPENDIX

ARTICLE TWENTY-SEVEN OF THE MEXICAN CONSTITUTION OF 1917

The ownership of lands and waters comprised within the limits of the national territory is vested originally in the nation, which has had, and has the right to transmit title thereof to private persons, thereby constituting private property.

Private property shall not be expropriated except for reasons of public utility and by means of indemnification.

The nation shall have at all times the right to impose on private property such limitations as the public interest may demand as well as the right to regulate the development of natural resources, which are susceptible of appropriation, in order to conserve them and equitably to distribute the public wealth. For this purpose necessary measures shall be taken to divide large landed estates: to develop small landed holdings; to establish new centers of rural population with such lands and waters as may be indispensable to them; to encourage agriculture and to prevent the destruction of natural resources, and to protect property from damage detrimental to society. Settlements, hamlets situated on private property and communes which lack lands or water do not possess

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them in sufficient quantities for their needs shall have the right to be provided with them from the adjoining properties, always having due regard for small landed holdings. Wherefore, all grants of lands made up to the present time under the decree of January 6, 1915, are confirmed. Private property acquired for the said purposes shall be considered as taken for the public utility.

In the nation is vested direct ownership of all minerals or substances which in veins, layers, masses or beds constitutes deposits whose nature is different from the components of the land, such as minerals from which metals and metaloids used for industrial purposes are extracted; beds of precious stones, rock salt, salt lakes formed directly by marine waters, products derived from the decomposition of rocks, when their exploitation requires underground work; phosphates which may be used for fertilizers; solid mineral fuels; petroleum and all hydrocarbons- solid, liquid, or gaseous.

In the nation is likewise vested the ownership of the waters of territorial seas to the extent and in the terms fixed by the law of the nation; those of lakes and inlets of bays; those of interior lakes of natural formation which are directly connected with flowing waters; those of principal rivers or tributaries from the points of which there is a permanent current of water in their beds to their mouths, whether they flow to the sea or cross two or more states; those of intermittent streams which traverse two or more states in their main body; the waters of rivers, streams or ravines, when they

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bound the national territory or that of the States; waters extracted from mines; and the beds and banks of the lakes and streams hereinbefore mentioned, to the extent fixed by law. Any other stream of water not comprised within the foregoing enumeration shall be considered as an integral part of the private property through which it flows; but the development of the waters when they pass from one landed property to another shall be considered of public utility and shall be subject to the provisions prescribed by the States.

In the case to which the two foregoing paragraphs refer, the ownership of the Nation is inalienable and may not be lost by prescription; concessions shall be granted by the Federal government to private parties or civil or commercial corporations organized under the laws of Mexico, only on condition that said resources be regularly developed, and on further condition that legal provisions be observed.

Legal capacity to acquire ownership of lands and waters of the nation shall be governed by the following provisions:

Only Mexicans by birth or naturalization and Mexican companies have the right to acquire ownership of lands, waters and their appurtenances, or to obtain concessions to develop mines, waters or mineral fuels in the Republic of Mexico. The Nation may grant the same right to foreigners, provided they agree before the Department of Froeign Affairs to be considered Mexicans in respect to such property, and accordingly not to invoke the protection of their Governments in

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respect to the same, under penalty,in case of breach, of forfeiture to the Nation of property so acquired. Within a zone of 100 kilometers from the frontiers, and 50 kilometers from the sea coast,no foreigner shall under any conditions acquire direct ownership of lands and waters.

The religious institutions known as churches, irrespective of creed, shall in no case have legal capacity to acquire, hold or administer real property or loans made on such real property; all such real property or loans as may be at present be held by the said religious institutions, either on their own behalf or through third parties, shall vest in the Nation, and any one shall have the right to denounce property so held. Presumptive proof shall be sufficient to declare the denunciation well-founded. Places of public worship are the property of the nation, as represented by the Federal Government, which shall determine which of them shall continue to be devoted to their present purposes. Episcopal residences, rectories, seminaries, orphan asylums or collegiate establishments of religious institutions, convents or any other buildings built for the administration, propaganda or teaching of the tenents of any religious creed shall forthwith rest, as to full right, directly in the nation, to be used exclusively for the public services of the Federation or of the states, within their respective jurisdictions. All places of public worship which shall later be erected shall be the property of the nation.

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Public and private charitable institutions for the sick and needy, for scientific research, or for the diffusion of knowledge, mutual aid societies or organizations formed for any other lawful purpose shall in no case acquire, hold or administer loans made on real property, unless the mortgage terms do not exceed ten years. In no case shall institutions of this character be under the patronage, direction, administration, charge or supervision of religious corporations or institutions, nor of ministers of any religious creed or of their dependents, even though either the former or the latter shall not be in active service.

Commercial stock companies shall not acquire, hold or adminster rural properties. Companies of this nature which may be organized to develop any manufacturing, mining, petroleum or other industry, excepting only agricultural industries, amy acquire, hold or administer lands only in an area absolutely necessary for their establishments or adequate to serve the purposes indicated, which the Executive of the Union or of the respective State in each case shall determine.

Banks duly organized under the laws governing institutions of credit may make mortgage loans on rural and urban property in accordance with the provisions of said laws, but they may not own nor administer more real property than that absolutely necessary for their direct purposes; and they may furthermore hold temporarily for the brief term fixed by law such real property as may be judicially adjudicated to them in execution proceedings.

Properties held in common by co-owners, hamlets situated on private property, pueblos, tribal congregations and other settlements

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which, as a matter of fact of law, conserve their communal character, shall have legal capacity to enjoy in common the waters, woods, and lands belonging to them or which may have been or shall be restored to them according to the law of January 6, 1915, until such time as the manner of making the division of the lands shall be determined by law.

Excepting the corporations to which Paragraphs 10, 11, 12 and 13 hereof refer, no other civil corporation may hold or administer on its own behalf real estate or mortgage loans derived therefrom, with the single exception of buildings designed directly and immediately for the purposes of the institution. The States, the Federal District and the Territories, as well as the municipalities throughout the Republic, shall enjoy full legal capacity to acquire and hold all real estate necessary for public services.

The Federal and State laws shall determine within their respective jurisdictions those cases in which the occupation of private property shall be considered of public utility; and in accordance with the said laws the administrative authorities shall make the corresponding declaration. The amount fixed as compensation for the expropriated property shall be based on the sum at which the said property shall be valued for fiscal purposes in the catastral or revenue offices, whether this value be that manifested by the owner or merely impliedly accepted by reason of the payment of his taxes on such a basis, to which there shall be added 10 per cent. The increased value which the property in question may have acquired through

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improvements made subsequent to the date of the fixing of the fiscal value shall be the only matter subject to expert opinion and to judicial determination. The same procedure shall be observed in respect to objects whose value is not recorded in the revenue offices.

All proceedings, findings, decisions, and all operations of demarcation, concession, composition, judgment compromise, alienation or auction which may have deprived properties held in common by co-owners, hamlets situated on private property, settlements, congregations, tribes, and other settlement organizations still existing since the law of June 25, 1856, of the whole or a part of their lands, woods, and waters are declared null and void; all findings, resolutions and operations which may subsequently take place and produce the same effects shall likewise be null and void. Consequently all lands, forests and waters of which the above-mentioned settlements may have been deprived shall be restored to them according to the decree of January 6, 1915, which shall remain in force as a constitutional law. In case the adjudication has been requested by any of the above entities, those lands shall nevertheless be given to them by way of grant, and they shall in no event fail to receive such as they may need. Only such lands title to which may have been acquired in the divisions made by virtue of the said law of June 25, 1856, or such as may be held in undisputed ownership for more than ten years are excepted from the provision of nullity, provided their area does not exceed fifty hectares. Any excess over this area shall be returned to the commune and the owner shall be indemnified. All laws of

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restitution enacted by virtue of this provision shall be immediately carried into effect by the administrative authorities. Only members of the commune shall have the right to these lands destined to be divided, and the rights to these lands shall be inalienable so long as they remain undivided; the same provision shall govern the right of ownership after the division has been made. The exercise of the rights pertaining to the Nation by virtue of this article shall follow judicial process; but as a part of this process and by order of the proper tribunals, which order shall be issued within the maximum period of one month, the administrative authorities shall proceed without delay to the occupation, administration, auction or sale of the lands and waters in question, together with all their appurtenances, and in no case may the acts of the said authorities be set aside until final sentence is handed down.

During the next constitutional term , the Congress and the State Legislatures shall enact laws, within their respective jurisdictions, for the purpose of carrying out the division of large landed estates, subject to the following conditions:

In each State and Territory there shall be fixed the maximum area of land which any one individual or legally organized corporation may own.

The excess of the area thus fixed shall be subdivided by the owner within the period set by the laws of the respective locality; and these subdivisions shall be offered for sale on such conditions

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as the respective governments shall approve, in accordance with the said laws.

If the owner shall refuse to make the subdivison, this shall be carried out by the local government, by means of expropriation proceedings.

The value of the subdivisons shall be paid in annual amounts sufficient to amortize the principal and interest within a period not less than twenty years, during which the person acquiring them may not alienate them. The rate of interest shall not exceed 5 per cent per annum.

The owner shall be bound to receive bonds of a special issue to guarantee the payment of the property expropriated. With this end in view, the Congress shall issue a law authorizing the States to issue bonds to meet their agrarian obligations.

The local laws shall govern the extent of the family patrimony, and determine what property shall constitute the same on the basis of its inalienability; it shall not be subject to attachment nor to any charge whatever.

Any contract and concessions made by former Governments from and after the year 1876 which shall have resulted in the monopoly of lands, waters and natural resources of the Nation by a single individual or corporation, are declared subject to revision, and the Executive is authorized to declare those null and void which seriously prejudice the public interest.

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